

CRANFIELD UNIVERSITY

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**‘Exploration into the Relationship between Managers’ Sensemaking
and CSR outcomes’**

**SCHOOL OF MANAGEMENT
Centre for Executive Learning and Leadership**

**MSc by RESEARCH in LEADING, LEARNING and CHANGE
THESIS**

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ABSTRACT

This study aims to understand the relationship between managers' sensemaking of their organisations' espoused Corporate Social Responsibility (CSR) intentions and outcomes through asking: 1. How do managers make sense of the CSR intentions espoused by their organisations? 2. What are the outcomes of the sensemaking process? 3. To what extent are these outcomes congruent with the organisations' espoused CSR intentions?

The reason for this research is because organisations are struggling to integrate their espoused CSR into daily business processes and are being criticised for a gap between rhetoric and action by stakeholders. The sector chosen for this study is the electronic consumer products industry because it has a potentially huge impact on the environment and society and is starting to engage in CSR. There are few empirical studies on CSR in this sector.

This exploratory, qualitative, empirical study uses a case study approach to collect data through focus group dialogue which is analysed through Conversation Analysis.

Two main findings are 1. Managers' sensemaking processes can lead to 'no action' in terms of embedding espoused CSR intentions. 2. Organisational culture impacts on CSR outcomes. Furthermore, managers do not read their organisations' CSR communications. A limitation of this research is that just two cases and fifteen participants were studied. Future research is necessary to explore suggestions emerging from the findings.

This study makes a contribution to theory, in that 'no action', status quo is a possible outcome of sensemaking, and also contributes theoretical insight into the phenomenon of the interrelationship between organisational sensemaking and individual sensemaking.

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I am also grateful to Dr. David Denyer for sharing his vast knowledge of research and for his personal commitment in encouraging us to conduct our research to the highest standards of rigour and accuracy.

Without access to firms attempting to embed CSR and without interviews with managers I would have no research. I send my greatest thanks to Alpha Electronics and Delta Electronics (pseudonyms) for their generosity of time, for welcoming me in to their organisations and for their honest and trusting dialogue. At both organisations I felt even more passionate about understanding what is needed to help managers embed CSR in to their organisations. I was extremely lucky to gain access to these companies and to these particular groups of managers. I wish both organisations every success in embedding their CSR aspirations.

I would like thank my colleagues at the Doughty Centre for Corporate Responsibility and at the Centre for Customised Executive Development, both at Cranfield School of Management, for their ongoing support and interest in my research. Especially Belina Raffy for her contribution as a valuable cross check of my interpretation of data.

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CONTENTS

| | |
|---|-----------|
| CHAPTER 1. INTRODUCTION | 1 |
| 1.1. Explanation of Terms | 3 |
| CHAPTER 2. LITERATURE REVIEW | 5 |
| 2.1. Literature Review: Part 1 - Scoping Study | 5 |
| 2.1.1. SSQ 1. What does the academic literature say about sensemaking which could be relevant to embedding CSR principles in organisations? | 6 |
| 2.1.2. SSQ 2. What is sensemaking? | 7 |
| 2.1.3. SSQ 3. What does the literature say about the challenges of embedding new initiatives in organisations? | 8 |
| 2.1.4. Questions emerging from Scoping Study | 10 |
| 2.2. Systematic Review (SR) Protocol | 11 |
| 2.2.1. Outcome of the SR | 13 |
| 2.3. Literature Review: Part 2 Systematic Review | 14 |
| 2.3.1. SRQ1. What is the relationship between sensemaking processes and congruence between intent and action? | 14 |
| 2.3.2. SRQ2. What are the different influences on congruence between intent and action in the context of embedding CSR in organisations? | 20 |
| 2.4. Summary of Literature Review | 25 |
| 2.5. New research questions emerging from the literature review | 26 |
| CHAPTER 3. RESEARCH DESIGN | 27 |
| 3.1. Research Philosophy | 28 |
| 3.1.1. Researcher Stance | 28 |
| 3.2. Research Methods | 29 |
| 3.2.1. Case Study | 29 |
| 3.2.2. Focus Groups | 31 |
| 3.2.3. Conversation Analysis (CA) | 32 |
| 3.3. Research Process | 34 |
| 3.4. Research Rigour | 35 |
| CHAPTER 4. ANALYSIS AND FINDINGS | 36 |
| 4.1. Main Findings from the Study | 36 |
| 4.2. Interpretation of Espoused CSR Intent | 37 |

| | |
|---|-----------|
| 4.2.1. CSR Reports | 37 |
| 4.2.2. Focus group interpretation of CSR Intent | 40 |
| 4.2.3 Communication of CSR Intent | 42 |
| 4.3. Interpretation of CSR Outcomes | 43 |
| 4.4. Managers' Sensemaking – Scanning and Interpretation | 45 |
| 4.4.1. Finding 1. Manager's sensemaking process can lead to an outcome of 'No Action' | 45 |
| 4.4.2. Finding 2. Organisational culture impacts on CSR outcomes | 49 |
| 4.5. Summary of Findings | 57 |
| CHAPTER 5. DISCUSSION | 59 |
| 5.1. Emerging from this study | 60 |
| 5.1.1. Deselecting the Present | 61 |
| 5.1.2. Deselecting Responsibility | 63 |
| 5.1.3. Organisational culture, identity, sensemaking and CSR | 64 |
| 5.2. Implications for embedding CSR | 66 |
| CHAPTER 6. CONCLUSION | 68 |
| 6.1. Methods | 68 |
| 6.2. Executive Education in CSR | 69 |
| 6.3. Further Research | 70 |
| 6.4. Final Reflection | 70 |
| CHAPTER 7. PERSONAL REFLECTION ON LEARNING | 71 |
| REFERENCES | 78 |
| APPENDICES | 87 |
| Appendix A. Initial Keywords for electronic database search | 87 |
| Appendix B. 3 most effective Search- strings for electronic database search | 88 |
| Appendix C. Quality Assessment of papers selected through Systematic Review | 89 |
| Appendix D. Research Strategy Choices | 91 |
| Appendix E. Interview Questions | 93 |
| Appendix F. Unit of Analysis | 96 |

| | |
|---|------------|
| Appendix G. CSR Intentions – Alpha Electronics | 97 |
| Appendix H. CSR Intentions – Delta Electronics | 100 |
| Appendix I. Summary of key observations at both sites (outcomes) | 105 |
| Appendix J. Extended transcript; Conversation 5. | 106 |

FIGURES AND TABLES

| | | |
|-----------|--|----|
| Figure 1. | Mapping the Field of Literature | 5 |
| Figure 2. | Sequential Sensemaking Process | 14 |
| Figure 3. | Overview of Research Strategy | 27 |
| Figure 4. | Case Study Scope | 30 |
| Figure 5. | Example of Transcript Convention | 34 |
| Figure 6. | Impact of Managers' Sensemaking on CSR Outcomes | 61 |
| Figure 7. | Deselecting the Present | 62 |
| Figure 8. | Deselecting Responsibility | 63 |
| Table 1. | Systematic Review Framework | 11 |
| Table 2. | Influences on Congruence between CSR and Action | 21 |
| Table 3. | Research Study Participants | 31 |
| Table 4a. | Summary of Researcher Interpretation of intentions espoused in CSR reports – Alpha Electronics | 38 |
| Table 4b. | Summary of Researcher Interpretation of intentions espoused in CSR reports – Delta Electronics | 39 |
| Table 5. | Summary of (CSR) Outcomes Identified | 44 |
| Table 6. | Summary of themes from codes of conduct | 50 |
| Table 7. | The Relationship between Findings and Research Questions | 57 |
| Table 8. | Summary of Findings | 58 |
| Table 9. | Expected Learning Outcomes | 73 |

CHAPTER 1. INTRODUCTION

This study aims to understand the relationship between managers' sensemaking of their organisations' espoused corporate social responsibility (CSR) intentions and CSR outcomes, through asking three questions:

How do managers make sense of the CSR intentions espoused by their organisations?

What are the outcomes of the sensemaking process?

To what extent are these outcomes congruent with the organisations' espoused CSR intentions?

This question has arisen because of the challenge for organisations to integrate their espoused CSR principles into daily business processes, which can conflict with traditionally understood business objectives of profit maximisation, (Freidman, 1970; Le Menestrel & Bettignies, 2002). Both practitioner and academic literature have been critical of firms promoting themselves as responsible businesses where there is a perceived gap between rhetoric and action (Christian Aid, 2004; Conley & Williams, 2005). Stakeholders, which means anyone who can affect or be affected by an organisation (Freeman, 1984; Mitchell, Agle, Wood, 1997) are cynical of organisations which publicly state a commitment to society and the environment but their decision making and behaviours are not conducive to that expressed commitment (Sethi 2002; Maak & Pless, 2006).

More worrying is the suggestion of firms deliberately using CSR reporting to hide unchallenged and unchanged behaviours in daily operations (Conley & Williams, 2005; Ramus & Montiel 2005). For example, Enron was a company which won CSR awards yet it has been revealed as being corrupt in its business operations (Kulik, O'Fallon & Salimath, 2008). Since the demise of Enron in 2001 a plethora of CSR frameworks, tools and training programmes have emerged to assist firms embed their CSR. However, many of the banks involved in the near collapse of the financial sector in the UK in 2008 boasted CSR awards and high profile CSR reports which espouse ethical values and transparency, but the managers engaged in dubious practices which were not congruent with the organisations' publicly espoused values (Litvin, 2008). These two examples illustrate a lack of congruence between espoused intentions and actual day-to-day business behaviour and indicate that more robust research is necessary to understand this business problem.

My observation is that in some instances (particularly where the firm adopts a predominantly business case justification for CSR) the path of interpretation between espoused CSR intentions and the actions of the managers can become distorted, resulting in CSR principles not being embedded.

Other barriers to embedding CSR include:

- Managers not understanding their organisation's espoused CSR intentions.
- Managers not having the skills and knowledge to embed organisationally espoused CSR objectives.
- Lack of appropriate key performance indicators (KPI) for CSR in day-to-day activities.
- Published CSR intentions being contradictory to the prevailing organisation's business objectives.

The sector chosen for this study is the global electronic consumer products industry because with an average growth rate of about 12.6% per year, from \$1.4 trillion USD in 2004 to an estimated \$2.0 trillion USD in 2007, and by 2012 the global market is expected to reach approximately \$3.2 trillion (BCC Research, 2009), it has a potentially huge impact on society and the environment (Babu, Parande & Basha, 2007). Furthermore, it is an industry that is starting to engage in partnerships with campaigning organisations such as 'World Wildlife Fund' in espousing CSR principles (WWF, 2009). Additionally, there are very few academic papers in respect to embedding CSR in this sector which suggests a possible opportunity to contribute to theory.

This study will observe the sensemaking of operational managers who are not in designated CSR roles but are expected to incorporate the organisation's espoused CSR principles in their daily decision making and actions.

My own understanding of what is commonly referred to as CSR, has evolved over 10 years of working in a CSR teaching and consulting capacity with diverse organisations from diverse countries. As a person who views the natural environment and society as fully interconnected it is probably not surprising that my ontological basis for understanding CSR is that the behaviour of organisations can have a significant impact on global sustainability.

The ultimate objective of this research is to inform CSR related executive learning interventions both in-company and through higher education. Some Higher Education Institutions (HEIs) are criticised for producing managers who are focussed only on profit and materialistic goals which is deemed to be incompatible with the notion of business acknowledging its shared responsibility for the environment and society, (Ghoshal, 2005; Giacalone & Thompson, 2006; Pfeffer, 2005). This could mean that managers' sensemaking of CSR in their firm could be influenced by a dominant theme of profit, resulting in the lack of inclusion of espoused CSR aspirations in respect to the environment or community in their business priorities.

My proposition is that the way managers interpret organisational CSR intentions can be distorted and lead to behaviours which are incongruent with the espoused intentions. This can go unnoticed because individual's meaning and sensemaking processes give the behaviour a legitimacy which is valid to them in their own reality. By sensemaking I mean what information people select as being relevant to them which then impacts on their interpretation and subsequent behaviour. Possible sources of distortion include selective noticing and retention of cues which are highly subjective and influenced by: perception, values, identity and bedrock organisational assumptions which conflict with

espoused CSR intentions. Critically, sensemaking can be influenced by others and is not accurate but more about plausibility and acceptance for ease (Weick, 1995, p. 55). Interestingly, the literature on sensemaking mainly refers to the process as retrospective and not forward looking in respect to predicting the possible impact that a selection of cues, ‘scanning’, might have on decision making, actions and consequences. This could be a cause of blind spots arising unnoticed.

In summary, I propose that some businesses with espoused intentions to integrate CSR are not recognising the distortion of congruence occurring between intent and actuality. There is further concern that, through executive education, managers are currently being taught a business focus which could be at odds with an organisation’s espoused aspirations to become an environmentally and socially responsible entity.

1.1. Explanation of Terms

The next section gives a brief introduction to the key terms used, which will be explained in more detail in Chapter 2.

What is Corporate Social Responsibility (CSR)?

CSR has emerged as a relatively new business phenomenon, driven by societal demands for greater corporate responsibility (Waddock, 2000; Zadek, 2003), which is still evolving. The general principle underpinning CSR is that businesses are responsible for their impact on the society and environment in which they operate, as well as making a profit (Margolis & Walsh, 2003). A main challenge for supporters of CSR is to bridge the gap between the prevailing, traditional business objectives of profit (Freidman, 1970) and to forge new organisational frameworks and management support processes to enable a triple bottom line (Elkington, 1997) approach so that societal, environmental and economic considerations can be equally addressed in business decision making and actions.

What is Sensemaking?

This study is interested in the impact of managers’ interpretation and understanding of organisational intentions to embed CSR principles. Sensemaking, can be described as a process which is subliminal, can be taken for granted and is considered as having a central role to human behaviour (Weick, Sutcliffe & Obstfeld, 2005; Argyris, 1990, 1992) therefore, it may play a vital role in terms of operational managers’ behaviour in the context of embedding CSR. Critical to this study is the proposition that when faced with incongruence, people search for meaning, accept plausibility and then move on (Weick *et al.*, 2005). Thus the activity that created the incongruence remains unchallenged, even if it is not conducive to the espoused intentions.

Sensemaking is ongoing, it never starts, never stops and is stimulated by people asking ‘what is going on here’ (Weick, 1995, p.43). It can be described as, ‘a process by which individuals develop cognitive maps of their environment’ (Basu & Palazzo, 2008), or as a retrospective, perpetual evaluation of images and words that represent what people are actually doing (Daft & Weick, 1984). The theoretical implication is that understanding is reached through a process of scanning and interpretation, which then creates a springboard for action (Daft & Weick, 1984; Thomas, Clark & Gioia, 1993). I am

interested in finding out how this impacts on what managers do in respect to embedding CSR in their organisations.

The method for this exploratory empirical study is a case study approach with two similar global electronic consumer companies. The data collection process is through focus groups which were recorded by audio and video, followed two weeks later by recorded individual telephone interviews to validate interpretation. To ensure rigour and mitigate for bias, an independent observer attended the focus group sessions and their interpretation was recorded. Data analysis was conducted through Conversation Analysis and Narrative Analysis. This method was deemed to be appropriate for the study because sensemaking is about words and interpretation.

The structure of this document is as follows. Chapter 2. discusses a two part literature review, starting with a broad scoping study to ascertain which domains of theory are likely to provide papers to address the research problem, followed by a systematic review to answer more specific questions related to the research question. Chapter 2. ends with new questions which emerged from the literature to be taken forward to an empirical study. In Chapter 3. the research design and method are explained in more detail, followed by a summary of findings in Chapter 4. In the discussion section, Chapter 5., the findings from this empirical study are linked to the literature review findings and to existing bodies of theory. Chapter 6. explains this study's contribution to theory, limitations of this study and recommendation for further research. This document concludes with a personal reflection on my learning through the duration of this research project.

CHAPTER 2. LITERATURE REVIEW

A two stage literature review was conducted consisting of a broad scoping study which focussed on defining the relevant domains of theory, followed by an in depth systematic review (SR) which focussed on searching for papers which are specific to the research question. A robust protocol was designed for the SR part of the review and is explained later in this chapter.

2.1. Literature Review: Part 1 - Scoping Study

In trying to understand how sensemaking impacts on congruence between intent and action in the context of embedding CSR, the literature review started with three very broad questions.

SSQ1. What does the academic literature say about sensemaking which could be relevant to embedding CSR principles in organisations?

SSQ2. What is sensemaking?

SSQ3. What does the literature say about the challenges of embedding new initiatives in organisations?

Theoretical Positioning

The two main bodies of literature emerging from a broad scoping study, which frame the research problem and position it in existing domains of theory are:

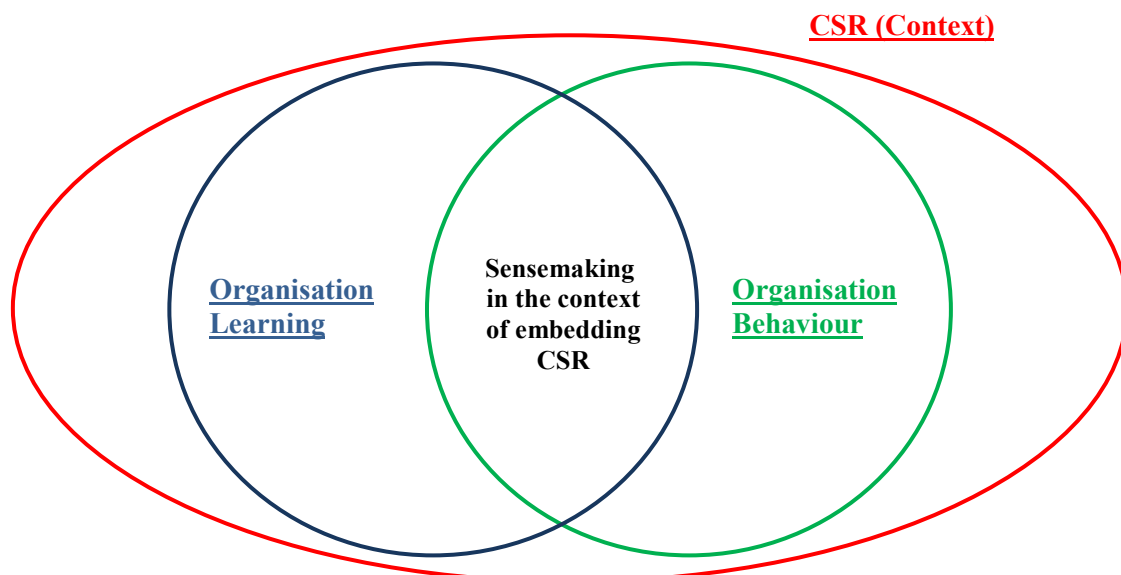
Organisational behaviour – culture, identity, sensemaking, defensive routines

Organisational learning – communities of practice, theories of action, double-loop learning, reflective learning

plus the contextual body of emerging literature around **CSR** – embedding CSR.

Figure 1. illustrates the relationship between the three bodies of theory.

Figure 1. Mapping the Field of Literature



From the broad scoping study, three seminal works emerged as core to addressing the research problem. These were Karl E. Weick's sensemaking in organisations, Chris Argyris' theories of action and defensive routines and Edgar H. Schein's work on organisational culture and bedrock assumptions. All three emerged from the overlap between Organisational Behaviour and Organisational Learning domains of theory and can be applied in the context of embedding CSR.

2.1.1. SSQ1. What does the academic literature say about sensemaking which could be relevant to embedding CSR principles in organisations?

Embedding CSR

The bodies of research and theory around CSR are still evolving with a multitude of different understandings which can be influenced by interpretation of language, the business manager's ontological position, the organisational culture, broader regional differences or a combination of all these factors. This makes attempts to integrate CSR principles into every day organisational activity very challenging.

This field is universally referred to as CSR, the underlying proposition being that the responsibility of a business extends beyond the focus of maximising shareholder return (Margolis & Walsh, 2003). This wide and fragmented domain encompasses humanistic theories such as Stakeholder Theory and Business Ethics Theory (Carroll, 1991; Freeman, 1984; Clarkson, 1995; Mitchell, Agle & Wood, 1997) as well as Moral Development Theory applied to the motivations and behaviour of managers (Kohlberg & Hersh, 1977).

The domain also includes instrumental theories related to broader environmental and community concerns including models for building and evaluating partnerships between ecology and commerce (Zadek, 2004; Hawken, 1993) and the impact of such partnerships on the reputation of a firm and as competitive social performance (Waddock, 2000). One of the most commonly used terms in respect to organisations measuring their relationship with community and environment is 'Triple Bottom Line' which is the concept of an organisation being responsible and being held accountable for its combined performance in social, environmental and economic matters (Elkington, 1997).

Other writers take a broader values-based sustainability focus, which considers the planet as an interconnected system and propose bio-mimicry and green technology as a source of commercial innovation (Lovelock, 1988; Hawken, Lovins & Lovins, 1999).

The most common definition of sustainable development used by organisations in their CSR reports, is as stated in the World Commission on Environment and Development (UN) 1987 report 'Our Common Future' (p.24), also known as the 'Brundtland Report';

“Development which meets the needs of the present without compromising the abilities of future generations to meet their own needs.”

This study is interested in organisational intentions to integrate CSR into operational decision making and behaviours; however, since the turn of the millennium many

organisations have engaged in externally focussed CSR related activities such as Corporate Community Engagement (CCE) and Cause Related Marketing (CRM), (Business in the Community, 2008), which could be interpreted as marketing activities to enhance a firm's image and reputation (Hatch & Schultz, 1997). CSR has come to the fore since 2000 and is still in an early evolution phase. If CSR were merely an externally focussed marketing initiative it might be predicted to become just another passing management fad (Abrahamson, 1991). However, increasing stakeholder expectations in respect to issues such as climate change, waste, water shortages and pollution are likely to drive organisations to find ways of integrating their espoused CSR principles in a deeper, more meaningful way as firms try to enhance their relationship with society (Bowd, Bowd & Harris, 2006) and preserve their image and reputation (Hatch & Schultz, 1997; Lewis, 2001) as a responsible business.

It could be suggested that many organisations are at a point of transition between external CSR and internal CSR and that current understanding and interpretation is still influenced by prevailing CCE and CRM activities. This could mean that managers believe CSR is embedded in their firm if they see signs of external CSR activities, and this shields them from noticing the reality of internal business practices which are not actually integrating the principles espoused in their CSR reports and company websites. This, combined with the suggestion that CSR practitioners are self congratulatory and non challenging (Conley & Williams, 2005), could mean that misinterpretation of what embedding CSR actually is remains unacknowledged and not discussed. This could be a fundamental barrier to how managers make sense of how to enact espoused CSR intentions in daily business.

2.1.2. SSQ2. What is sensemaking?

The work of Weick (1995) is central to the literature covering sensemaking theory. He states that sensemaking is stimulated by people asking "what is going on here?" and proposes that the sensemaking process moves from 'scanning' to 'interpretation', which involves 'noticing and bracketing' specific, selected words and cues which have to be;

‘forcibly carved out of the undifferentiated flux of raw experience
and conceptually fixed and labelled so that they can become the common
currency for communicational exchanges’

(Chia, 2000, p. 513)

Scanning can be considered as a cognitive process that collects data before interpreting and giving meaning to that data (Thomas *et al.*, 1993; Daft & Weick, 1984). Weick uses the distressing example of how the medical community delayed for twenty five years before officially acknowledging the existence of 'battered child syndrome' to illustrate how at the scanning stage of sensemaking health professionals unintentionally deselected factual evidence because it seemed so implausible, before interpretation and giving meaning. This implies that inaccurate scanning can exclude important sub-texts, simplify and distort complex issues and lead to professional blind spots (Weick, 1995, pp.1-4).

The literature mostly focuses on sensemaking as a retrospective process and a perpetual evaluation of images and words that represent what people are actually doing. The underlying assumption is that meaning and understanding are reached through words which impact on behaviour.

‘Sense is generated by words that are combined into the sentences of conversation to convey something about our ongoing experience. If people know what they think when they see what they say, then words figure in every step.’

(Weick, 1995, p.106)

A critical aspect of sensemaking is that through this process people seek plausibility and a ‘story’ which is meaningful to them rather than accuracy. ‘Sensemaking involves the ongoing retrospective development of plausible images that rationalize what people are doing’ (Weick *et al.*, 2005) and is ‘less about discovery than it is about invention’ (Weick, 1995, p.57). In the context of embedding CSR intentions this could lead to a distorted, inaccurate interpretation of the espoused intentions.

2.1.3. SSQ3. What does the literature say about the challenges of embedding new initiatives in organisations?

2.1.3.1. Theories of action

Argyris (1990) proposes that the behaviours of people are influenced by what he calls ‘Theories of Action’, which he suggests consist of two types of theory of action:

1. ‘Espoused Theory’, which is about the beliefs, values and attitudes of individuals, which in the context of this study could be interpreted as the guiding intentions before action.
2. ‘Theories-in-Use’, which Argyris suggests are the programmes in people’s minds which they engage before acting.

He proposes that theory-in-use programmes are primarily used by people to maintain control and to avoid embarrassment or threat. Through the most usual theory-in-use programmes, which he calls ‘Model I’, people can build ‘defensive routines’ to maintain their position of perceived control, to enable them to be in command of their actions and to feel good when they are able to produce the outcomes they intend (Argyris, 1990, p.13). This implies that individuals feel more fulfilled when their personal, espoused theory is congruent with the outcomes of their theory-in-use. However, defensive routines may cause misalignment through Model I programmes. It is this area of alignment and congruence between intention and action that is most relevant to this study.

It could be that managers interpreting organisationally espoused CSR intentions invoke defensive routines if they feel that there is a likelihood that the espoused intentions cannot be enacted, are not conducive to the dominant organisational goals or if they think they do not have the necessary skills or capabilities and therefore feel threatened or embarrassed. It is possible that this behaviour becomes routine and unrecognisable,

therefore contributing to blind spots and hindering espoused intentions to embed CSR related behaviours and organisational learning (Argyris, 1990, 1992).

As an alternative theory-in-use programme, Argyris proposes 'Model II' which embraces personal responsibility, detection and correction of errors and reflective practice to be aware of thoughts and feelings whilst taking action (Argyris, 1990, p.104). This may be a behaviour pattern which could help improve congruence between espoused CSR intentions and action.

Values play a large role in defining an organisation's culture and Argyris (1990) suggests that human behaviour is consistent with their governing values, such that people make sense of a phenomenon in a way that does not challenge or question the fundamental values of themselves or the organisation with which they are associated. Therefore, in the context of embedding CSR principles, if the espoused intentions are not congruent with the individual's values or perceived collective values, the embedding process is unlikely to succeed.

2.1.3.2. Organisational Culture

Schein's (1985) seminal work, on organisational culture and deeply held assumptions which impact on organisational change and development, provides a backdrop to this study. It explains how individuals are part of, and influenced by, the collective culture of an organisation and how this may impact on their understanding and interpretation of espoused CSR intentions, as well as possible reasons for perceived conflicts between espoused CSR and the underlying company culture.

Schein's theory of levels of culture includes:

- **Artefacts** – visible organisational structures and processes
- **Espoused beliefs and values** – goals, philosophies espoused justifications
- **Underlying assumptions** – unconscious taken for granted beliefs, perceptions, feelings – source of values and actions

This theory makes a compelling argument that embedding a new initiative is likely to fail if it is not congruent with the underlying organisational assumptions, which are usually neither explicit nor immediately obvious (Schein, 1985). This has resonance with the notion of individual interpretation and sensemaking impacting on the alignment between intention and action, in that individuals are less likely to subvert an initiative, intentionally or otherwise, if they can make sense of the intention in relation to their own reality. Otherwise, they may follow an alternative personal desire line which is not congruent with the espoused intent. Schein considers an organisation as a complex human system and advocates an approach to embedding new initiatives as a type of counselling, to support managers during their sensemaking through change (Schein, 2007). Organisational Culture is discussed further in section 2.3.2.1.

2.1.3.3. Making Sense of Embedding

Sensemaking is particularly prevalent when a real world-view is at odds with an expected world-view or there is anxiety due to no clear path to follow (Weick *et al.*, 2005). How an organisation makes sense of the world through its collective world-view

can determine its genuine ‘CSR character’ (Basu & Palazzo, 2008) which seems pertinent to the ‘messy’, non linear path of embedding CSR (Jonker, Cramer & van der Heijden, 2004) and the role of ‘selecting cues’ for interpretation before action.

Jonker *et al.* (2004) raise the consideration of the ontological nature of the specific drivers for embedding CSR in relation to the organisation’s world-view, and how that impacts on managers’ sensemaking. This is particularly relevant where the drivers are in conflict with the individuals’ interpretation of organisationally espoused CSR intentions.

How individuals make sense of CSR was analysed further (Cramer, van der Heijden & Jonker, 2006) and found that the managers participating in the study unintentionally applied five different external and internal influences to their sensemaking. I propose that the five influences suggested are not independent and that all influences on the sensemaking process can be both relevant and conflicting at the same time. This is likely to distort the noticing and bracketing stages of the sensemaking process of people who are expected to manage the ‘flux of unfiltered information’ (Chia, 2000; Weick *et al.*, 2005) which can perpetuate a state of non linear messiness that appears to be the CSR embedding process (Jonker *et al.*, 2004).

Other literature suggests that resistance to embedding CSR principles can be alleviated if people can make sense, in terms of their own and organisational values, about what they are being asked to do and how to behave. Beer (2003) argues that intervention is necessary to help managers identify incongruence between espoused intent and action and to address the ‘unvarnished truth about strengths and barriers to implementation’. He proposes that such intervention ‘enables lower levels to speak truthfully to senior teams about causes for the gap’ between rhetoric and action and claims that honest and open dialogue can highlight incongruence and emerging disconnects, and alert managers to any necessary ‘midcourse corrections’, thus contributing to organisational learning and embedding process of an initiative.

2.1.4. Questions emerging from Scoping Study

The scoping study starts to reveal that managers’ sensemaking process can be influenced by different factors and that sensemaking can have a significant impact on the way people behave.

Two main questions emerging from the literature, which were addressed further through a systematic review:

SRQ1. What is the relationship between sensemaking processes and congruence between intent and action?

SRQ2. What are the different influences on congruence between intent and action in the context of embedding CSR in organisations?

The next section explains how the systematic review was conducted.

2.2. Systematic Review (SR) Protocol

The purpose of an SR is to ensure rigour and thoroughness when searching for literature. Each step of the five stage framework illustrated by Table 1. served as a guiding protocol which was followed rigorously during this part of the literature review.

Table 1. Systematic Review Framework

| | |
|--|--|
| STAGE 1: Planning the Review | Step 1– Form a review panel Step 2 – Map the field of study Step 3 – Produce a review protocol |
| STAGE 2: Identifying and evaluating studies | Step 4 – Conduct a systematic search Step 5 – Evaluate studies |
| STAGE 3: Extracting and synthesising data | Step 6 – Conduct data extraction Step 7– Conduct data synthesis |
| STAGE 4: Reporting | Step 8 – Report the findings |
| STAGE 5: Utilising the findings | Step 9 – Inform research Step 10 – Inform practice |

Adapted from Tranfield, Denyer & Smart (2003).

This next section gives a brief summary of how the SR framework was used and the outcomes.

Whilst the systematic nature of a SR is designed to be robust and thorough, it cannot be claimed to be exhaustive due to the expanse and diversity of literature available for review. Throughout the SR process I sought advice and guidance from the expertise of diverse people I had invited on to my SR support panel. This resulted in a more thorough and rigorous review and gave me wider access to literature and enhanced richness and depth of review.

Searching

To start the systematic search, keywords most relevant to the main research questions were selected from those most frequently used in core papers selected through the earlier scoping study. These were from the three domains of theory identified in the scoping study as Organisational Behaviour, Organisational Learning and CSR. However, it was recognised that this list of initial keywords was likely to change as the review commenced. See Appendix A.

Keywords were then combined to create a search-string related to the questions which emerged from the scoping study as illustrated in Appendix B.

Before commencing a search of electronic databases of academic journals, a test search was run with search-strings to ensure that the results from each database were relevant to the review questions and that papers emerged from top rated, relevant journals

Selection and Quality Assessment

After each keyword search, literature selection criteria was used to ensure that papers were relevant to the SR questions which emerged from the earlier scoping study shown in 2.1.4. A stage one inclusion or exclusion criteria was applied to the paper title, abstract, conclusion and references. To limit the subject area, each paper found through the database search was asked “what does this contribute to the research?” Papers selected at stage one inclusion were recorded in a Microsoft Excel spreadsheet tabular format.

Papers retained after stage one screening were subjected to a further quality appraisal of the full texts. The quality assessments were a more rigorous assessment of academic quality and relevance to the research. The second stage appraisal process was conducted using an appraisal template produced using guidelines from the ‘Academy of Management Journal Guidelines for Reviewers (2002-2004)’ as a quality check and appraisal for writing congruence and rigour.

A template incorporating all of the recommended quality checks was completed for every piece of literature selected through the review. A summary of the selection criteria and quality assessment can be seen in Appendix C.

Data Extraction

Each paper that passed the inclusion assessment was read in full, in relation to the SR questions using Wallace and Wray’s (2006, pp. 91-99) guidance 'Critical Analysis of a Text'. The information extracted at this stage, was recorded in an Excel spreadsheet workbook which contained a worksheet for every paper read and assessed for consideration of inclusion.

Cross-referencing

During the data extraction and appraisal process the citations and references of each paper retained were studied to establish if any of the papers were relevant to the SR questions but not already found through the database search process. Each potential reference was added to a spreadsheet. Each of the cross-reference citations was passed through the inclusion/exclusion and appraisal process.

Data Synthesis

The data extracted from each paper were analysed and a Microsoft Word table set up to record the thematic content from each paper. The main themes emerging through the literature were **Sensemaking (S)**, **Congruence (C)**, **Mediation (M)** and **Identity (I)**. Synthesis of the papers through thematic assessment highlighted connections between the texts and those which contained a combination of these main themes were selected as core to the research study. Where possible, the texts were combined to make a new narrative to address the SR questions; however, some qualitative studies and theoretical contributions did not easily lend themselves to aggregation due to the diverse approaches and research methodology. When summarising thematic content, there were

conflicting claims which indicate complexity. Further, when attempting to combine texts, researchers' bias and their unique sensemaking processes were taken into consideration.

2.2.1. Outcome of the SR

It became clear that whilst mediation does have a role in terms of embedding CSR, it is not the core focus of this study or the SR questions. The theme of mediation was moved to a status of 'periphery' rather than 'core' interest. It could be that reflexive mediation (Schon, 1983; Gray, 2007) might be a method for highlighting incongruence between intent and action; however, that would require a different research study.

In assessing papers for sensemaking themes, it became apparent that the theme of 'identity' is inextricably linked and that in many texts organisational sensemaking is a secondary theme to organisational identity.

Extensive numbers of papers relating to the contextual issue of CSR were located previously through the broad scoping study; however, finding papers with a focus on managers' sensemaking in the context of CSR was difficult. A review of papers selected for inclusion suggests that the topics of sensemaking and embedding CSR are new, emerging issues. The inclusion percentage of papers from 2005-2009 is 48.3% and from 2000-2004 is 36.2%, which suggests a growing body of research and theory since 2000 related to study in the area of this business problem.

Using the journal ranking structure as per Cranfield School of Management guidelines (Kirchner, 2006) which rates each publication as: 4* = world leading, 3* = top international, 2* = lower international, 1* = national, 35 of the total 58 papers which were searched, evaluated, assessed and included have been published in top rated academic journals, suggesting high calibre theory and research within the selected texts.

2.3. Literature Review: Part 2 Systematic Review

The purpose of this SR is to search for studies which examine the process of managers' sensemaking in the context of their interpretation of organisationally espoused CSR intentions. A broad scoping study did not reveal a body of research that specifically studies this phenomenon. This SR is, therefore, focussed on addressing two questions that emerged from the broad scoping study.

2.3.1. SRQ1. What is the relationship between sensemaking processes and congruence between intent and action?

Sequential Sensemaking Process

Of the three main theories which emerged through the scoping study literature review, the core focus for this study is the theoretical sensemaking process. Three similar theoretical frameworks, Daft & Weick (1984), Starbuck & Milliken (1988) and Thomas *et al.* (1993), all based on the sensemaking theories of Karl Weick, emerged through the literature review. The main contribution from these studies to my work, and my main focus of study, are the 'scanning and interpretation' phases of the theoretical sensemaking process. Figure. 2. represents my interpretation of an amalgamation of the three studies to illustrate a sensemaking sequence. This serves the purpose of establishing the relationship between the 'scanning and interpretation' stages of the process and intention and outcome (action).

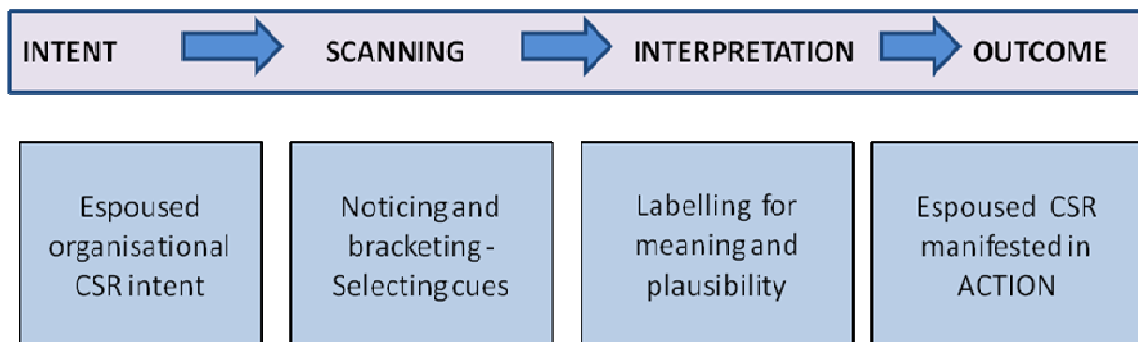


Figure 2. Adapted from Daft & Weick (1984), Starbuck & Milliken (1988), Thomas *et al.*, (1993).

Figure 2. illustrates a process of meaning making and interpretation, referred to as 'sensemaking', that individuals adopt in a subconscious, ongoing and iterative way. The 'scanning' stage collects data through noticing cues and the next stage of 'interpretation' gives meaning to those data (Daft & Weick, 1984; Thomas *et al.*, 1993). This implies that selective scanning and the simplification of a complex issue can exclude important details and sub-texts which could lead to inaccurate interpretation and subsequent action which is not congruent with intention.

Critical to this study is the proposition that at the point of 'scanning' information about organisationally espoused CSR intentions, the details selected can be incomplete and inaccurate due to influences which distort the 'noticing and bracketing' elements

of the process. These influences include managers' perceptions and their own 'theories-of-action', organisational culture and practices, and organisational identity which includes managers' perceptions of what the organisation stands for (Argyris, 1990; Weick, 1995; Starbuck & Milliken, 1988).

Organisationally espoused CSR intentions can be interpreted by managers in many different ways. A commonly held proposition in sensemaking theory literature is that individuals select and filter issues and deselect things that are not relevant to them, or are perceived to be threatening to them, before interpreting and enacting espoused intentions (Thomas *et al.*, 1993; Daft & Weick, 1984). A fundamental concern of this study is to understand what people select and deselect when making sense of an organisation's espoused CSR intentions and how that impacts on their interpretation and subsequent action.

A main proposition of this study is that even when managers intend to act in alignment with the organisationally espoused CSR principles, they can get derailed through their own sensemaking process and interpretation, but they still believe that they are acting congruently with the espoused intention.

2.3.1.1. Sensemaking

The most compelling and relevant argument in respect to sensemaking impacting on embedding CSR, is that managers filter and select elements of organisationally espoused CSR intentions which they feel are relevant to them and ignore others (Daft & Weick, 1984; Thomas *et al.*, 1993; Weick, 1995).

The process of sensemaking starts with selecting and bracketing cues then moves to a phase of interpretation before decision making and action or no action, see Figure 2. If this is the process that managers engage to make sense of their organisation's CSR intentions, it is likely that outcomes of action may not be congruent with the original intention if the bracketing and selecting process deselects critical elements to produce an inaccurate or incomplete picture for interpretation, thus distorting understanding of the intention. Furthermore, as individuals select and interpret in different ways, there are likely to be different outcomes which may be conflicting. The eventual outcome is likely to be one of the following;

- a) the action is congruent with the espoused intention
- b) the action is not congruent with the espoused intention
- c) there is no action at all.

Much of the literature considers sensemaking as a retrospective process; however, it is the phenomenon of ongoing, sensemaking in the present, and ensuing action in the context of daily work activities that this study seeks to understand. In particular, what influences sensemaking and how the ongoing process impacts on the way people think about and construct reality, and therefore action related to the original intention (Argyris, 1990, p.117).

Some of the difficulties companies are experiencing when attempting to embed their espoused commitment to CSR are likely to be because of no explicit commitment from individuals to enact CSR, compounded by dissonance between expectations and reality (Festinger, 1957). This can be illustrated by practitioner experience of managers saying, “why should I recycle my cup when the company I work for sends large amounts of waste to landfill” and “why should I worry about turning off lights to reduce CO₂ when the organisation uses huge volumes of energy”. These examples indicate that managers do not emotionally and physically engage in initiatives that do not make sense to them in their own reality or shared meaning in their ‘frame’ of commitment.

When people attempt to share meaning, they talk and seek ways to find common words in the pursuit of sharing experience. Weick (1995, p. 107) proposes that words that matter to individuals matter first to some larger collective; however, in an organisational context, genuine ‘shared meaning’ is unlikely because of individuals’ different realities and perceptions influencing their subliminal sensemaking processes (Weick, 1995, p.188).

2.3.1.2. Managers’ Perceptions

Although this was not an explicit search theme, through the cross-referencing process several papers emerged around the accuracy of perceptions of senior managers (Starbuck & Milliken, 1988; Sutcliffe, 1994; Mezias & Starbuck, 2003) in relation to ‘sensemaking’. This body of work contributes to understanding the impact of perception on congruence between intention and action.

Starting with managers’ perception of CSR intention, most organisations rely on their internal CSR newsletters, CSR policies and codes of conduct to inform managers of what the organisation expects of them; however, managers do not read formal reports and often rely on the information they carry around in their heads (Mezias & Starbuck, 2003). Further, interpretation of reality is crafted and influenced by beliefs and perceptions so that people create a ‘story’ which is palatable, plausible and not confronting to themselves or the organisation, but not necessarily accurate or true.

‘...when forced to provide ‘answers’ about topics on which they lack definite facts, managers seem to be content to fill in the gaps with folklore that has been socially constructed.’

(Mezias & Starbuck, 2003, p. 16)

If managers do not read the CSR communications in their organisation, this is likely to influence their interpretation of espoused CSR intentions and what they actually do.

Starbuck & Milliken’s (1988, p. 43) illustration of managers’ perceptual filtering, maps on to the scanning and interpretation phases of the sensemaking sequence shown in Figure 2. They refer to ‘Distortions in Noticing (where to look and what to see)’ which is ‘scanning’ and ‘Distortions in Sensemaking (what it means)’ which maps on to ‘interpretation’.

Starbuck & Milliken (1988) propose two usual sequences of retrospective sensemaking.

1. Good results – **correct actions** – flawless analyses – accurate perceptions
2. Bad results – **incorrect actions** – flawed analyses – inaccurate perceptions

They propose that in the usual sequences of sensemaking, managers' perceptions, accurate or inaccurate, are at the start of a causal sequence, and in a linear model the accuracy of those perceptions strongly influences the outcomes. They suggest that 'noticing and selecting' may be as important as 'interpretation'; however, my research indicates that the phase of 'scanning and selection' is fundamental to sorting and sifting the details of espoused organisational CSR intentions which will eventually determine what influences managers in terms of how they respond through their decision making, and ultimately action. This will be discussed in Chapter 4.

The theoretical sensemaking models emerging through this literature review all assume that action will always be a causal output, despite strong references to distortions and inaccuracy throughout the process. However, it could be suggested that if selected cues are incorrect, and distorted from the outset, it is possible that no action may be an outcome. This will be discussed in Chapters 4 and 5.

Influences on managers' perceptions mean it is likely that managers will only absorb a small portion of the total information available to them and they may not notice broader aspects because human information processing capabilities are limited (Sutcliffe, 1994; Mezas & Starbuck, 2003). Managers' perceptions influence their decision making and actions, and influences on their perceptions include; corporate documents, personal experiences, rumours, conversations in meetings, articles and newspapers they read or speeches by their CEOs (Mezas & Starbuck, 2003). This means that they may not be absorbing all the details of the organisation's CSR intentions in terms of their daily reality, then through their sensemaking processes they select and deselect cues from already incomplete data.

It is conceivable that managers with similar roles in an organisation will have similar organisational perceptions and Sutcliffe (1994) suggests that members of a functionally diverse group are less likely to notice the same factors. This is supported by Starbuck & Milliken (1988) who argue that despite different filtering processes, the same stimuli can be 'selected' by different managers using individual frameworks of interpretation. If this is true, this could mean that when different managers' perceptions are pooled in a form of 'collective sensemaking' they can formulate a more consistent interpretation of CSR in their organisation (Weick, 1987, p. 116).

Some managers intend to embrace their perception of their organisation's CSR principles, but when confronted with conflict between daily business and CSR they may, inadvertently, revert to a position of no action and a sensemaking pattern which justifies that inaction. People hold beliefs and values about how they intend to behave, but in situations of conflict, embarrassment or threat their 'theories of action' give way to 'defensive sensemaking' and 'defensive reasoning' which can result in behaviour

which produces consequences that were not originally intended (Argyris, 1990). Through his 'espoused theory of action' Argyris argues that people are usually unaware that this is happening so it is highly probable that this cycle of interpretation and behaviour contributes to actions that are incongruent with CSR intentions.

Starbuck and Milliken (1988) argue that managers' perception filtering processes de-emphasise incongruence which is likely to be another contribution to a distorted interpretation of reality which allows for myopia and blind spots to arise and perpetuate behaviour that is not congruent with the organisation's espoused CSR goals.

2.3.1.3. Myopia

Another example of organisational incongruence is short term vision, which Swanson (1999) refers to as 'normative myopia'. This can be manifested through attempts to meet short term KPI which are contradictory to longer term espoused CSR goals. Such ambiguity inside an organisation can prevent learning (Levinthal & March, 1993) and prevent systemic adoption of the CSR related decision making and behaviour required to embed intended CSR principles. Short term vision and a focus on daily task related KPI can result in less-mindful behaviour where contemplation and reflection does not occur and therefore incongruent behaviour goes unnoticed and unchallenged (Levinthal & Rerup, 2006).

There is a long standing correlation between routine behaviour and mindfulness that emphasises how less mindful behaviour can develop in organisations and remain unquestioned (Levinthal & Rerup, 2006). In their article that defines mindfulness as a critical element of effective sensemaking, Seiling and Hinrichs (2005) claim that mindfulness is a core component of 'aliveness' through which people decide to find the solutions and take action to improve things following questioning and sensemaking. In respect to embedding CSR this could be relevant, in that less mindfulness creates shortsightedness and blindness to incongruent behaviour through routine.

In their study on organisational shortsightedness, Levinthal & March (1993) state that learning is likely to be misleading if the foundations of the experience are an inaccurate or a biased representation of reality. Whilst their study does not make explicit links to sensemaking, there is an underlying theme of interpretation of the past and diffusion of knowledge. To draw further from the study, the authors propose 'overlooking failures' as one of the three main contributors to 'learning myopia'. They call this factor 'Failure Myopia' through organisations 'over-sampling success and under-sampling failures'. It has already been discussed how retrospective sensemaking is prone to inaccuracy and Levinthal & March go on to say that learning does not correct these inaccuracies; therefore, in the context of embedding CSR this could be a reason for sustained, uncorrected, incongruent behaviour.

Considering the notions of 'Learning Myopia' and 'Failure Myopia' in the context of embedding CSR, Frankental (2001) refers to 'systematic denial of wrongdoing' and proposes that organisation members will not admit that their company is not behaving in a socially responsible way. He states that an organisation aspiring to be responsible must be prepared to admit to its shortcomings and mistakes, and a firm that cannot own

up when it breeches its own codes of conduct does not have the mechanisms in place to learn and improve.

Furthermore there is literature to suggest that once a CSR embedding programme is launched by senior managers, it is unlikely that members will feel comfortable about voicing their perceptions of gaps between rhetoric and reality or that the initiative does not make sense to them. Beer (2003) shows that there is a low likelihood of employees revealing 'painful truths' to senior managers and refers to 'norms of silence' which he suggests results in cynicism which can lead to a cascade effect of anti-learning and resistance to change. This is supported by the earlier research by Starbuck & Milliken (1988) which argues that the perception of managers is inseparable from their environments because each depends on the other and that people pay more attention to messages from superiors than from subordinates.

The earlier example of delay in recognition of 'battered child syndrome' illustrates how 'norms of silence' can allow professional blind spots to occur, Weick (1995). It also shows how the process of selecting and filtering information, followed by interpretation and understanding is not necessarily factual (Weick, 1995; Weick *et al.*, 2005; Gioia, Corley & Fabbri, 2002) but is influenced by beliefs and perceptions such that people create a 'story' which they feel comfortable with and is not threatening to themselves or their organisation.

This process of selecting details such that a 'story' is created which misses out critical facts and gives a distorted interpretation of reality, can ultimately build an inaccurate perception of reality and justification that a person is not expected to do anything. This might be interpreted as either a subconscious or intentional tactic for inaction and 'self-protection', and a catalyst for defensive routines.

2.3.1.4. Tacit sensemaking

Managers' tacit knowledge and previous experience is likely to impact on logical sensemaking in the context of embedding CSR principles, and potentially generate blind spots. The research conducted by Rouleau (2005) on the micro-practices of sensemaking on change initiatives found high relevance of managers' own sense, own values, own role in relation to the organisation's espoused values and expected behaviours when constructing and diffusing meaning. She found that the managers' 'tacit knowledge' was important to the sensemaking process, which was self referential, as if detached from the social context of the process. The study demonstrates how managers draw on their tacit knowledge to make sense of the collective process and share that sense with others, yet the importance of this tacit knowledge was generally neglected. She proposes that 'sensemaking and sensegiving' cannot be disassociated from the socio-cultural form of tacit knowledge as much as from its semantic form (Rouleau, 2005).

It could be suggested that 'tacit knowledge' is also embedded in organisations. Perrow (1986) suggests that organisations operate through forms of 'tacit control' including 'assumptions and definitions that are taken as given' which he calls 'Premises Controls' as they subliminally influence the premises people use to diagnose situations and make decisions. These are 'unobtrusive controls' which are often implicit, tacit, preconscious,

mindless, and taken for granted. Weick (1995) suggests that Premise Controls make the links between sensemaking and decision-making and it was these unconscious and subliminal levels of controls that allow incongruent behaviour and 'professional blind spots' to occur.

The literature suggests that tacit knowledge in individuals and in organisations is not usually recognised or acknowledged (Rouleau, 2005). In their paper which discusses the role of managers in embedding organisational policies, Pfeffer & Sutton (1999) argue that typical management frameworks actually make 'knowing-doing gaps' worse for a number of reasons, including that formal systems do not easily acknowledge or transfer tacit knowledge and usually frameworks are structured to identify knowledge as something tangible. This means that, through the influence of their tacit knowledge, organisation members give multiple meanings to objective facts but existing organisation frameworks do not account for this. In the context of embedding a nebulous construct such as CSR, in which values based ideals play a significant role, if the organisational structure does not notice the tacit influences of managers in their interpretations of the CSR intentions it is highly likely that the 'doing' outcome will not be aligned with the intention but will follow the managers' own sensemaking path.

2.3.2. SQR2. What are the different influences on congruence between intent and action in the context of embedding CSR in organisations?

This literature review starts to reveal how inaccurate interpretation, combined with defensive routines and shifting organisational identity can lead to a high probability that incongruent behaviour will occur and remain undetected. Table 2. illustrates a summary introduction of the main findings of the review and relevance to the full study. Each of these aspects can be considered to be potential influences on congruence between intent and action and will be discussed in more detail in the following section.

Table 2. Influences on Congruence between CSR Intent and Action

| Literature Review Findings | Relevance to study |
|--|---|
| Shifting, multiple and conflicting organisational identities (Albert & Whetten, 1985; Hatch & Schultz, 1997; Dutton & Dukerich, 1991) | Difficult to align core identity and CSR identity. |
| Espoused CSR character at odds with organisational real world view (Schein, 1985, Basu & Palazzo, 2008; Brickson, 2007) | Sensemaking process can deselect CSR as not conducive to organisational objectives. |
| Norms of silence, myopia – people unlikely to speak up (defensive routines) (Argyris, 1990, 1992; Swanson, 1999; Beer, 2003) | Behaviour which is not congruent with the CSR espoused intentions is either not recognised or is not challenged and can be preserved through defensive routines. |
| Managers' perceptions – inaccurate sensemaking and multiple interpretations. (Mezias & Starbuck, 2003; Sutcliffe, 1994) | Managers do not read CSR documentation which explains the espoused intentions, compounded by incongruence through selecting certain elements of CSR and deselecting others. |
| Role conflict through ambiguity (Handy, 1993) | Not including CSR intentions in daily business decisions because CSR is not seen as integral to role. |
| CSR seen as an external reputational enhancement initiative (Alvesson, 1990 ; Bowd <i>et al.</i> , 2006) | May impact on interpretation and understanding of espoused CSR intentions in terms of relevance to daily business activities |
| Short term business focus and KPI (normative myopia) (Swanson, 1999 ; Orlitzky & Swanson 2002) | Not looking at long term benefit of embedding CSR or strategic relevance of integrating CSR issues in day-to-day decision making. |
| Existing management training, development and support frameworks focus on profit (Giacalone & Thompson, 2006) | Confusion about how to include CSR considerations in daily business decision making. |

2.3.2.1. Organisational Culture

Organisational culture can impact on managers' sensemaking and their perceptions and how they define their 'collective self' (Ravashi & Schultz, 2006). An organisation aspiring to embed CSR could find it challenging to develop a CSR identity if the manifestations of cultural artefacts, values and basic assumptions are not conducive to the identity of a responsible business (Mc Adam, 1973).

Schein (1992, p. 10) describes culture as the 'accumulated shared learning of a given group, covering behavioural, emotional and cognitive elements of the group members' total psychological functioning'. He proposes that the essence of an organisation's culture is its 'core assumptions' and 'deeply held values' which are demonstrated through visible artefacts such as buildings, printed materials and the clothes that people wear.

Managers can appear to project assumptions which seem to be incongruent with the espoused values and beliefs of the organisation, this could mean that the more deeply held, taken for granted, 'core assumptions' are different. For example, where an organisation espouses to be a socially responsible organisation but the deeper held assumption is to make profit at any cost (Schein, 1992, p. 199).

Schein (1985) suggests that it is only when members of the organisation make sense of espoused intentions in relation to the bedrock values of the organisation that the new values related to the espoused intentions can become embedded and become taken for granted. In his 1978 working paper, Frederick (1994) builds on this notion by suggesting that as CSR has no single underlying values theory, there is a reliance on specific organisational values to embed CSR. He proposes that an underpinning moral imperative is a critical necessity for institutionalised CSR and that an organisation's CSR intentions will not be enacted if the collective values are not philosophically aligned with the issues of responsible business.

It seems important to understand how managers' sensemaking can be influenced by organisational practices and the discourse which managers use to share meaning in respect to the underpinning values which they think are important to the organisation (Karathanos, 1998; Schein, 1985).

2.3.2.2. Organisational Practices

We have already discussed that it is difficult to achieve shared sensemaking (Weick 1995, p. 188), and managers do not extensively read websites and company documentation (Sutcliffe, 1994; Mezias & Starbuck, 2003) which creates a challenge for firms attempting to embed CSR principles consistently across the organisation.

CSR related behaviours do not appear to be stimulated by written intent or goals in documents, but through tacit knowledge, experience and informal conversations between employees. Their interpretation of CSR intentions evolves through ongoing and iterative cues and prompts which they notice in their own lives and through interaction with others in the organisation.

Several authors propose that existing management frameworks and management systems are not compatible with embedding CSR into core business activities or for encouraging individual personal responsibility (Smith & Sharma, 2002; Zwetsloot, 2003; Pfeffer & Sutton, 1999). Others suggest that managers do not have all the necessary skills or knowledge to ensure that intended CSR behaviours are enacted (Beer, 2003). These issues are probable contributors to why espoused intentions do not become everyday reality. Without necessary support frameworks and interventions managers are unlikely to recognise incongruence between espoused intentions and their actions.

Much of the literature on this topic is theoretical, but a qualitative study conducted by Ramus (2001) on organisational support for employees in the context of embedding environmental sustainability, finds that policy and espoused intent to embed policy is not sufficient if managers 'do not care' or are not given recognition for achieving the environmental goals for the company. She concludes by stating it is essential for managers to support employees in respect to environmental goals. This research output can be applied to embedding CSR intentions and the necessity for management support and motivation. This suggests the need for new skills to be learned by managers and the necessity for new, supporting frameworks and models which align CSR intentions with day-to-day organisational goals.

Organisational practices can be a manifestation of organisational identity which is discussed in the next section.

2.3.2.3. Organisational Identity and Image

A theoretical definition of organisational identity is that which is central, distinctive and enduring about the character of an organisation. It is also possible that organisations can have more than one identity and that multiple identities can conflict with each other (Albert & Whetten, 1985).

The issue of 'identity' emerged as inextricably linked with sensemaking. The first of Weick's 'Seven Properties of Sensemaking' (Weick, 1995, p. 18) is that sensemaking is 'grounded in identity construction'. There is a possibility that from cues, such as CSR awards, managers interpret CSR intentions as being enacted in congruence with their organisation's identity. In reality, the espoused intentions may not be truly aligned with the genuine organisational identity and enactment not actually happening. Through invoking 'defensive routines' this delusion can be maintained to protect themselves and the organisation from the threat of uncomfortable or embarrassing truths.

Basu & Palazzo (2008) propose that an organisation's unique personality and the way an organisation collectively thinks, speaks and behaves (Brickson, 2007) can determine its CSR character. An organisation with an 'individualistic orientation' has a character which focuses internally on its core business objectives, whereas an organisation with a 'relational identity' is more likely to operate as a 'collectivist organisation' which has more affinity with the underlying principles of CSR (Giacalone & Thompson, 2006; Basu & Palazzo, 2008).

They suggest that gaps between intent and action can occur where the ‘real’ organisation character and organisational norms are not conducive to CSR aspirations and that ignoring this scenario can prevent understanding what information managers select and filter on a daily basis when making decisions.

‘...richer description of CSR might emerge from studying internal institutional determinants, such as mental frames and sensemaking processes within which CSR is embedded (i.e. by studying how an organization makes sense of its world.’

(Basu & Palazzo, 2008, p.123)

This is further complicated by the notion of mixed and sometimes conflicting identities within an organisation and managers’ different understanding of these identities. Changing and conflicting organisational identities could add further complexity which could lead to confusion in daily priorities for managers and role ambiguity (Handy, 1993, p.60).

Several authors propose interdependence between culture, image and identity; ‘when we express organizational identity we use our cultural artefacts symbolically to present an image that will be interpreted by others’ (Hatch & Schultz, 1997). This could mean that to understand organisational identity, members need to make sense of the espoused values and what their organisation appears to stand for (Schein, 1985) in relation to their own values in the context of their own social construction of reality (Pruzan, 2001).

It has already been discussed how organisations create and adapt their identity over time and how managers retain and select sensemaking cues in order to adjust to and cope with changing environments (Orlitzky & Swanson, 2002). When people are faced with incongruence they search for plausibility which is aligned with their own world view (Weick *et al.*, 2005). It is, therefore, likely that throughout ongoing sensemaking and seeking values alignment, ‘defensive routines’ will become unconsciously enacted by individuals. This is to enable a steady, consistent working life and ‘plausibility’ to help them cope with any emerging incongruence.

Hatch & Schultz, (1997) propose that the breakdown of internal and external barriers has led to more exposure of what is actually happening inside organisations, which has created an increasing sense of reputational and identity vulnerability. This could be an explanation for defensive routines including denial of incongruent behaviour (Argyris, 1990) in a society where organisations are struggling to prove their legitimacy.

Firms can become preoccupied with image and reputation in their desire to be seen to be doing the right things. Organisational image can be described as;

‘...a holistic and vivid impression held by an individual or a particular group towards an organization and is a result of sensemaking by the group and communication by the organization of a fabricated and projected picture of itself.’

(Hatch & Schultz, 1997, p.359)

Alvesson (1990) argues that preoccupation with organisational image can be a coping mechanism to deal with ambiguity arising from conflicting prevailing identity and perceived purpose. He proposes that traditional guiding cornerstones of work ethics, can become diluted by preoccupation with image. Furthermore, with organisations aspiring to be seen as responsible businesses, a deeper, more profound source of confusion is likely to arise through aspirational organisational image conflicting with true identity and underlying character (Dutton & Dukerich, 1991; Gioia, Schultz & Corley 2000; Ravashi & Schultz, 2006; Basu & Palazzo, 2008).

If managers are unaware of their organisation's genuine identity, compared with its espoused 'CSR character', this may be a contributor to incongruence in understanding between reality and intended reality. If managers are asked to embed CSR principles in their daily decision making, but that is not congruent with their interpretation of the organisation's priorities, it is very unlikely that the CSR intentions will be manifested in action. Research shows that managers are unlikely to question this incongruence, particularly if the CSR intentions are endorsed by senior management (Beer, 2003).

2.4. Summary of Literature Review

Through a systematic review of literature in the fields of Corporate Social Responsibility, Organisational Behaviour, and Organisational Learning, the topic of organisational identity became clear as being inextricably linked with sensemaking. A body of work around managers' perceptions also emerged as being a core influence on managers' sensemaking processes.

The review revealed very few empirical research papers addressing these combined topics in relation to embedding CSR or disconnects between intent and action. Most of the papers uncovered during the literature review are theoretical or of a literature review type; there are very few empirical research papers covering collective sensemaking and its connection to embedding organisational practices. In terms of perceptions and interpretation, most studies focus on top teams rather than operational managers which suggests that this research study can contribute to a gap in existing literature and contribute to theory. The few research papers which do exist are case studies which mostly focus on the relationships between CSR and organisational stakeholders, or the connection between CSR and financial performance.

The core argument of this study is that the process of selecting and bracketing cues during sensemaking processes distorts interpretation and understanding of the organisational CSR intentions, which impacts on behaviour and can exclude CSR from day-to-day decision making and actions. In particular the 'editing' justifies why managers need not do anything and reinforces CSR as an external activity, which is the responsibility of someone else. This prevents CSR intentions being embedded in business activities.

The literature reveals that there are a significant number of diverse possible influences on congruence between intent and action, and that professional blind spots can occur after a sensemaking process, which is selective so that uncomfortable realities are bypassed. This could be evidence that managers in organisations deselect aspects of the

organisational CSR intentions which are inconvenient or unrealistic to them, therefore the premise controls that link sensemaking and decision-making act as an unconscious barrier to action. Additionally, the confusion arising for managers trying to make sense of CSR whilst dealing with day-to-day priorities, and sometimes multiple and conflicting identities, could be a systemic cause of failure to embed CSR in core activities (Gioia *et al.*, 2000).

The proposition by Alvesson (1990), that traditional organisational culture patterns are being diluted by a preoccupation with external image and reputation, is a compelling explanation as to why so many organisations are struggling to embed their CSR commitments. Data from an empirical study may start to explain this complex issue.

There has already been a considerable amount of work conducted on the accuracy of perceptions of senior managers and top teams (Starbuck & Milliken, 1988; Sutcliffe, 1994; Mezias & Starbuck, 2003). This research study will, therefore, focus on the department managers who do not have strategic decision making responsibility but do have operational decision making, budget and people management responsibility, to try to understand their perceptions and interpretation of their organisations espoused CSR intentions. It is often this level of operational managers who are expected to embed espoused CSR intentions into the organisation and are ‘sent’ on CSR training courses and who frequently say “What has CSR got to do with me?” as they have to deal with the daily pressure of sale targets or head count (Grayson, 2008). This study aims to observe if they identify blind spots and disconnects, and if they do, how do they deal with them.

2.5. New research questions emerging from the literature review

Research questions to be taken forward to empirical study:

RQ1. How do managers make sense of the CSR intentions espoused by their organisations?

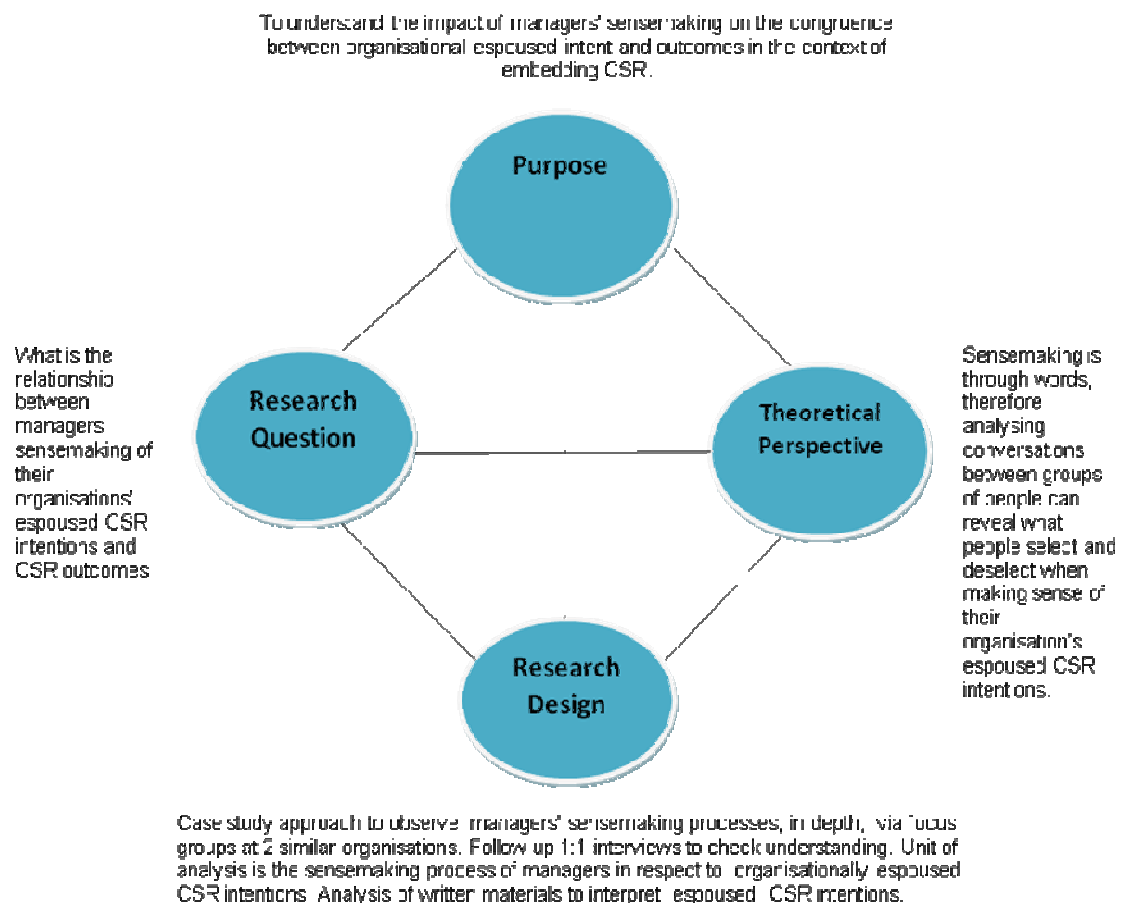
RQ2. What are the outcomes of the sensemaking process?

RQ3. To what extent are these outcomes congruent with the organisations’ espoused CSR intentions?

CHAPTER 3. RESEARCH DESIGN

The focus of this study is to observe how the sensemaking process of managers, specifically the ‘scanning’ and ‘interpretation’ stages of the sensemaking sequence shown in Figure 2. (Daft & Weick, 1984; Thomas *et al.*, 1993; Weick, 1995) impact on outcomes in respect to their organisation’s espoused CSR intentions. The specific context of the study is the espoused CSR intentions of organisations in the global consumer electronics industry. Based on the work of Karl Weick, this study assumes that the stages of ‘scanning and interpreting’ and the selection of cues to establish meaning are a precursor to action or inaction. The interest of the research is to understand if the ‘scanning and interpretation’ processes influence action in terms of congruence with the espoused organisational intention.

Figure 3. Overview of research strategy illustrates that the characteristics of this research strategy are social constructionist, starting with the assumption that there is no absolute truth and adopting an interpretivist approach of searching for rich insights into a complex world, to develop new theory, ideas and concepts.



Adapted from Partington, 2003, p.139 'The Research process; four elements in alignment'.

3.1. Research Philosophy

The underpinning epistemology of this study is social constructionist, with a subjectivist ontology. This means I maintain that social entities do not exist externally from people and that organisations are the creation of social phenomena through the perceptions and actions of people. This research focuses on how the role of social actors impacts on the phenomenon of embedding CSR through observing feelings and attitudes of people rather than objects.

This study draws from existing sensemaking theory (Thomas *et al.*, 1993; Weick, 1995) and therefore to some extent tests theory (deductive), but at the same time adopts an exploratory stance to build theory (inductive). Therefore, this is a retroductive exploration for new understanding which includes working back from data during the study (Blaikie, 2007, p. 9). A combination of inductive and deductive strategies has been a contentious issue but it is becoming accepted that both approaches are intimately related when conducting empirical study (Harrison, 2003, p. 159).

The research strategy was a qualitatively based case study using mixed methods and observing a snapshot in time. A wide range of research strategies and philosophies were considered to assess which is most appropriate to address the research question. Appendix D. shows a full table of considerations.

3.1.1. Researcher Stance

It is acknowledged that in social science it is impossible to completely eradicate all bias (Slavin, 1986, p. 7), and judgement is inevitable because ‘the analysis and usage of data is a sense-making exercise and not a mechanical one’ (Pawson, 2001). However, researchers in social sciences must be aware of their own ontological assumptions and how they might impact on their own interpretation.

Throughout this study I have attempted to be highly self aware of my role as a researcher in respect to limiting any influence and bias where possible during collection and analysis of data. I recognise that I hold personal and intellectual biases which may influence the way I interpret the data collected. I have tried to be mindful of such biases and kept a record of any prejudice that I noticed. To check my sensemaking an independent observer attended both focus groups and recorded her observations, also during analysis of transcripts parts of the text were given to two peers for their interpretation.

For the purpose of observing naturally occurring conversation and sensemaking it is important for the researcher to stand back and to observe the phenomenon as an ‘outsider’ and to remain ‘distanced’ in an attempt to ensure that they have no influence over the participants. In reality, the level of distance may depend on the philosophical world-view of the researcher (Singh & Dickson, 2003, p. 121).

In undertaking this study my aim has been to adopt the stance of a ‘learner’, observing the phenomenon without any preconceived theories or previous research findings, therefore adopting a researcher stance of the ‘outside-learner’ (Blaikie 2007, p. 11).

A researcher must be mindful of the role of language in a focus group or interview context, both from the researcher's impact and the impact of informants' dialogue, even to the extent of being mindful that the focus group exists only because of the research. As this study is neither ethnographic nor action research, it is desirable for the researcher to remain as independent as possible from the conversations being observed (Singh & Dickson, 2003, p. 121). To help with this, a script of interview questions, which can be seen in Appendix E., was followed to address the research questions.

However, it should be acknowledged that the presence of the researcher is likely to have some influence on the behaviour of the research subjects; the paradox of the observer (Labov, 1971) is that the mere presence of the researcher impacts on the dialogue in some way. This is more likely at the start of the session before respondents become more relaxed and comfortable with conversing between themselves and therefore less aware of the presence of the researchers. If the respondents view the researchers as experts in CSR this may impact on their dialogue, in that they may wish to be seen as knowledgeable.

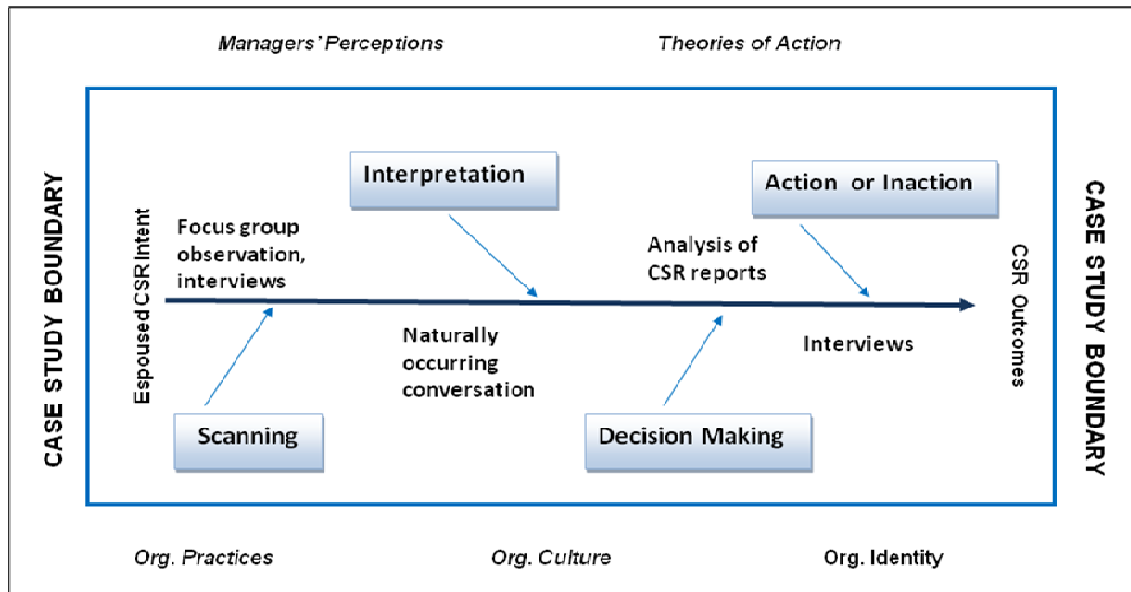
3.2. Research Methods

3.2.1. Case Study

Case studies are often used to answer 'how' and 'why' research questions; however Yin (2003) warns that even though case studies are used extensively in social science research, case study research strategy is frequently challenged from rational and irrational perspectives, as not being rigorous.

He proposes that a case study is an empirical enquiry to explore a contemporary, complex phenomenon in a real-life context and in particular where the boundaries between the phenomenon and other contexts are blurred. (Yin 2003, p. 13, p. 40). Generally case study designs are structured to deliberately include analysis of the 'contextual conditions' which may be highly pertinent to the study in relation to the 'case' which, in terms of this study, relates to the unit of analysis being managers' sensemaking and the influence of managers' perception, organisational practices, culture and identity.

Findings from the literature review suggest that sensemaking processes between organisational context and individual understanding are not clearly evident, therefore suggesting that the case study method is appropriate for this study. Figure 4., based on the sensemaking sequence shown in Figure 2., shows a summary of the scope of the case study and boundaries. This illustrates how different elements of sensemaking can be observed, recorded, interpreted and analysed through discourse. Appendix G provides an expanded explanation.

Figure 4. Case Study Scope

Adapted from Harrison, 'Case study boundary and unit of analysis' in Partington, Ed. 2003, p.168

One further criticism of case studies as a research strategy is that findings cannot be generalised to the broader population. However, the intention of this study is to seek depth and richness of research findings which will contribute to literature and which may shed new light on existing theory (Eisenhardt, 1989; Yin, 2003, p. 10).

3.2.1.1. Selection of Sites

This empirical study focuses on a single sector in order to reduce the impact of diverse industry characteristics confusing the interpretation of CSR. The electronic consumer products industry was selected because the electronics industry plays an important global economic role and electronic consumer products are increasingly referred to in environmental sustainability dialogue (Babu, Parande & Basha, 2007). Also, during the literature review very few papers emerged which focus on CSR in this industry.

Two cases, Alpha Electronics and Delta Electronics, were selected because of the similarity of their organisational structure, their global positioning, size and the products they manufacture. This document will use pseudonyms to ensure the anonymity of the research sites and any similarity to a genuine company name is purely coincidental. More information about both organisations is provided in Chapter 4.

The two case studies were selected for contrast rather than comparison against each other, with the expectation that two case studies would provide more robust and deeper research findings in respect to similarities and differences in the sensemaking impact on embedding CSR intentions and confirmation of the phenomenon. However, it was recognised that some data collected through empirical study may lend itself to comparison between the two sites.

3.2.1.2. Selection of Participants

The invitation to participate in this research study was offered, via CSR managers at both sites, to 10 people from cross functional roles, not primarily CSR, health and safety or environmental management. Both sites were asked to invite people in HR, Marketing, Manufacturing, Sales and Procurement roles.

It has already been stated that the participants in this study were operational managers with no defined CSR remit because the literature review revealed few empirical studies involving this level of management. It was requested that the invited participants should all have a broad understanding of the organisation's CSR intentions but not necessarily be pro CSR. Ten people from each site were invited, 10 accepted but on the day the research was conducted 8 people attended at Alpha Electronics and 7 at Delta Electronics, so a total of 15 participated, all of whom were native English speakers.

Although this sample was smaller than anticipated, the objective of the study is to understand the detail and depth of the phenomenon rather than a broad sample, therefore the reduced sample size was not considered to be a problem. Table 3. illustrates the participants from both sites and their roles.

Table 3. Research Study Participants

| Alpha Electronics | Delta Electronics |
|---|---|
| HR Manager (A) | Internal Communications Manager (De) |
| General Affairs Manager (J) | Employee Communications Manager (L) |
| PR Manager (Ja) | Product Manager (T) |
| IT Manager (W) | Sales and Marketing Manager (G) |
| Logistics General Manager (S) | Product Manager – Service and Support (A) |
| Finance General Manager (DJ) | Customer Operations General Manager (D) |
| Service Manager (P) | Information Systems Manager (R) |
| Consumer Marketing – Marketing Specialist (L) | |

3.2.2. Focus Groups

The focus of this study is the rich, dynamic nature of managers' interpretations and sensemaking, observed through naturally occurring conversation. Literature suggests that people are more likely to speak less guardedly and more naturally in a group they know, on their own site, compared with responding to my questions one-on-one. Further, 'Focus groups work best for topics people could talk about to each other in

their everyday lives but don't' (Macnaghten & Myers, 2004). It was anticipated that data collected would show that people do not generally talk about CSR issues and that group discussion could help them understand the espoused intentions.

Focus groups appear to be being used more often, particularly in exploratory research, 'focus groups are likely to reveal complex, contradictory and shifting definitions and different senses of agency' and importantly for this study 'beliefs emerge in interaction with others in a local setting' (Macnaghten & Myers, 2004).

In respect to studying managers' interpretations, the focus group method is an appropriate choice as the seven dimensions of sensemaking (Weick, 1995, p. 30) is that the process is enactive of sensible environments, social and ongoing. A one-on-one interview method would be unlikely to reveal the social and ongoing aspects of managers' sensemaking or the impact of cues selected and deselected by themselves and others.

As the organisations selected for this study implicitly expect their members to embrace their espoused CSR principles, I am interested in how managers from different functions interpret the organisational intent in respect to their own role and how the conversations between them in a focus group setting might tease out the similarities and differences in a free flowing and natural way.

Before commencing the focus group sessions I introduced myself to the participants as a research student undertaking a MSc in LLC and introduced my research assistant as a colleague from Cranfield School of Management. Participants were invited to ask questions, both groups expressed concern about commercial confidentiality and both were assured of anonymity.

3.2.2.1. Transcription

Data were collected through two focus groups, one at each site and follow up semi-structured one-on-one telephone interviews with each of the focus group participants to check understanding. In total 3.5 hours of focus group dialogue and 12 hours of telephone conversation were recorded and transcribed.

Video and audio recordings of each focus group and audio recordings of follow up telephone interviews were transcribed into a word document. Every word of spoken dialogue was transcribed with a written indication of change of tone or speed of conversation. Extracts of texts selected for the study were transcribed further using a Conversation Analysis (CA) transcript convention (Sacks, 1984; Jefferson, 2004) to provide a fine grain analysis of the conversation. The full transcripts are available on request.

3.2.3. Conversation Analysis (CA)

CA is a subset of discourse analysis which focuses on 'local, in situ construction of meaning' which means that 'describing what is going on can be seen as a sensemaking process through which reality is constructed' (Clifton, 2006). CA operates much closer to the phenomenon being observed than most other methods, as it reveals detailed accounts of interactional activities rather than a coded or summarised account (Ten

Have, 2007, p. 9). Because of the level of detailed information in the transcripts through the CA transcript convention, the transcripts speak for themselves and researcher interpretation and sensemaking is transparent.

The analytical purpose of CA is, through the study of language, to explain how people act as they do. The objective of analysis in the context of this study is to try to recognise what managers select and retain as being important about their organisation's espoused CSR intentions through trying to interpret the 'scanning and interpretation' stages of managers' sensemaking process. This can be done most effectively through observing free flowing and naturally occurring conversations between colleagues in a focus group where respondents are less likely to be influenced by the questions of an 'outsider' and try to respond in the 'right' way.

CA is a perfect transcription method for focus group observation as it favours naturally occurring data rather than researcher interpreted data. It is considered to be 'talk in interaction' and likely to be more authentic. The underlying assumption being that 'talk in interaction' is important in all social levels from individuals, to organisations, to society at large. 'Talking is basic to the social life of humans' (Ten Have, 2007, p.10).

Sensemaking is considered to be an ongoing, iterative activity where interpretation of cues contributes to how people try to reach a rational and plausible understanding of a scenario (Weick, 1995; Basu & Palazzo, 2008). Sense is generated by words (Weick *et al.*, 2005) 'forcibly carved out of the undifferentiated flux of raw experience' (Chia, 2000), therefore, analysis of conversations is a very appropriate method for studying seemingly nebulous aspects of sensemaking and confused constructs of organisationally espoused CSR which can be made tangible through words.

Transcripts of the focus groups were read and sections of conversational dialogue, which included indications of selecting and bracketing elements of the organisations' CSR intentions, were selected. The conversations were broken down into most meaningful snippets using guidance from Clifton (2006), Ten Have (2007) and transcribed using Jefferson's 'Transcript Convention' (2004) as illustrated in Figure 5.

Figure 5. Example of Transcript Convention

| Symbol | Definition |
|---------------|--------------------------------------|
| (2.5) | Approx. length of a pause in seconds |
| [But] | Overlapping utterances |
| ? | Rising intonation |
| : | Sound stretching |
| = | Latched utterances |
| <u>Very</u> | Stressed word |
| 0 | Inaudible |

3.3. Research Process

3.3.1. Step 1. Narrative Analysis

Identifying Espoused Intention

Before commencing the interview process it was important to seek evidence of the espoused intention, how it is communicated throughout the organisation and to establish an interpretation of the organisations' espoused intentions to embed CSR. To do this, artefacts which were considered to illustrate the organisation's espoused values (Schein, 1985) were analysed, including CSR reports and internal code of conduct policies. A narrative analysis was conducted to explore the themes in the documentation that illustrate the espoused intentions to embed CSR across the organisation and indications of the organisations' culture.

3.3.2. Step 2. Focus Groups

Managers were asked to discuss their interpretation of their organisation's CSR intentions in the focus group and the key points raised by the group were captured on flip charts, actually written by participants to avoid bias and interpretation by the facilitator. The managers' interpretations were compared with researcher interpretation. It was anticipated that through the free flowing conversations in the focus group that themes related to deeply held cultural assumptions and congruence with espoused CSR intentions may become evident.

3.3.2.1. Observing Scanning and Interpretation

The empirical study adopted an exploratory, interpretive approach to allow the themes to emerge through free flowing and spontaneous conversations in a focus group setting. Using 'Seven Stages of an Interview Investigation' (Kvale, 1996), guideline questions were designed to encourage responses in a semi-structured fashion. The focus group participants were asked to discuss each of the main questions shown in Appendix F.

The purpose of the questions was to stimulate conversation to enable observation of the present sensemaking process in a snapshot of time. The focus group interview questions were designed to address the research questions emerging through the literature review and were tested through a pilot qualitative study by semi-structured telephone interviews, with four participants. The outcome of the pilot test was that the questions did not delve deeply enough to reveal the relationship between sensemaking processes and outcomes.

Some of the original pilot study questions were retained but redesigned to encompass new findings from the literature, and other questions were discarded as irrelevant or not effective in addressing the research question, see Appendix F.

3.3.3. Step 3. Follow Up Interviews

Checking sensemaking and interpretation

A two week period between the focus group meetings and the telephone interviews was determined to be a length of time over which the participants would still recall the essence of the focus group and also long enough that observable incidents of action related to the espoused CSR intentions might occur. The aim of this was to test individual sensemaking; however, it was recognised that the focus group two weeks previously was likely to have made some impact on their individual sensemaking outcomes, but not necessarily their process of scanning or interpretation, in particular in the context of how they made sense of the focus group discussions.

For follow up telephone interviews, participants were advised by email that they would need access to a telephone in a quiet room where they would not be interrupted. They were reassured that all recordings and transcripts would remain anonymous and that final transcripts and analysis would not be identifiable.

3.4. Research Rigour

To overcome any doubts about rigour, this study aims for systematic transparency throughout, with audit trail evidence of interpretation and an acute awareness of the possibility of bias in respect of fair reporting of evidence (Yin, 2003, p. 10). Every attempt has been made to ensure rigour in terms of Construct Validity, Internal Validity, External Validity and Reliability (Harrison, 2003, p. 165).

An impartial observer was asked to record her observations in writing during the focus groups and at the end of each session was invited to tape record her comments as a cross check of observation and to highlight any possible bias in my observation or interpretation.

CHAPTER 4. ANALYSIS AND FINDINGS

4.1. Main Findings from the Study

Here follows an introduction to the two key findings from this study which relate most pertinently to the research questions emerging from a systematic literature review (see 2.5.) Both findings will be explained in depth with supporting empirical data throughout this chapter.

Further observations emerged which interconnect with the two main findings, and in some way relate to the research questions, but are not the principle focus of this study. These include that managers do not read the CSR communication materials circulated in their organisations and secondly the importance of how managers identify with their organisationally espoused CSR through internal monikers and labels. Aspects of these additional observations will be incorporated in the explanation of the key findings.

Finding 1. Managers' sensemaking process can lead to an outcome of 'No Action'.

The main finding from this study is that influences on managers' sensemaking processes can lead to distorted 'scanning and interpretation', which combined with defensive routines means that 'no action' and maintaining the status quo may be the outcome. Where this happens, managers convince themselves that someone else is 'doing' the CSR in their organisation or that it is something for them to do in the future. When making sense of CSR in their organisation, some managers do not notice or refer to actions of their own, in a day-to-day context, instead they notice and select activities driven by corporate head office, the marketing office or CSR awards.

This main finding addresses all three research questions in terms of what influences the way in which managers make sense of their organisation's espoused CSR and that the possible outcome of 'no action' is likely to be incongruent with the espoused CSR intentions.

Finding 2. Organisational culture impacts on CSR outcomes

Where sales and business case is the prime driver for CSR, there can be more failed initiatives and a sense of general cynicism towards espoused CSR intentions. Managers' sensemaking 'scanning' phase selects cues from the identifiable culture of sales and profit which can be used in a defensive routine to justify why CSR activities are not enacted in daily business decision making. The exception to this is where individuals select cues aligned with their own tacit knowledge and experience which means they become 'lone crusaders' trying to embed espoused CSR intentions in an organisational culture which is not, at the level of its core assumption, a genuinely CSR friendly characteristic.

This finding predominantly informs research questions 1. and 3. in respect to how organisational cultural norms impact on how managers make sense of CSR in their firm and what they do and do not do.

4.2. Interpretation of Espoused CSR Intent

The findings presented in this chapter specifically address the three research questions explained in section 2.5. which relate to how managers' sensemaking processes impact on their interpretation of their organisation's espoused CSR intentions and on their subsequent actions. This study is informed by a theoretical sensemaking sequence which is underpinned by three similar theoretical frameworks, all of which are based on the sensemaking theories of Karl Weick. These are Daft & Weick (1984), Starbuck & Milliken (1988) and Thomas *et al.*, (1993). The main contribution from these studies to my work, and my main focus of research are the 'scanning and interpretation' phases of the sensemaking sequence illustrated in Figure 2. It is important to position these phases in context with the espoused CSR intentions and what outcomes are perceived by the managers in the study to be related to those intentions.

The conceptual sensemaking framework used as a guide to this study starts with an 'intention' to be interpreted through a sensemaking process. This section starts with explaining my interpretation of the cases studies' CSR intentions through reading the organisations' CSR reports and codes of conduct. This is followed by the study participants' interpretation of their own organisation's CSR intentions.

In Section 4.3., an analysis of outcomes related to the espoused intentions is presented. It is important to position data relating to the 'intention' and 'outcome' elements of the sensemaking process at this point in this document to enable referencing back throughout the rest of this chapter in order to frame further findings within the context of the sensemaking process.

4.2.1. CSR Reports

CSR reports from 2008 for each organisation were read and text that was interpreted as espousing a CSR intention was selected and sorted in to broad thematic areas. Three main themes were selected which emerged as clearly expressed intentions from both organisations, these being energy reduction, CO₂ reduction and contribution to society/community. See Appendices G. and H. for full tables of intent themes including CSR report page references for audit purposes. Due to anonymity, the CSR reports are available on request with permission from the research case study organisations.

The snippets of text taken from the CSR reports and illustrated in Tables 4a. and 4b. have been selected because they represent statements, commitments or declarations related to the three areas of CO₂ reduction, energy reduction or community engagement.

The two organisations in this study were selected because they appeared to be very similar, in that they are both globally recognised, Japanese owned, consumer electronic product manufacturing companies with European Headquarter sites in the south of the UK. Their product ranges, global distribution networks and target markets are similar.

Alpha Electronics was founded in Japan, in 1918, and ranked the 59th largest company in the world in 2007 by the Forbes Global 500. Alpha's products include televisions, audio video equipment, home appliances, digital cameras, etc. They have a turnover of US\$ 81.9 billion and employ around 327,000 people globally.

The President and CEO of Alpha are both Japanese and both publically espouse the company philosophy which puts the importance of people and society above the importance of their products. The culture of Alpha is underpinned by the belief that the success of the organisation is wholly dependent on their responsibility as a public entity.

In terms of media reporting, Alpha does not appear to have a high profile image in CSR, good or bad. However, in 2008 the Political Economy Research Institute (PERI) ranked Alpha 21st on the toxic 100 list of US corporate air polluters, and in Greenpeace's Greener Electronics rating 2006, Alpha's overall score was 4.3/10.

Table 4a. Summary of researcher interpretation of intentions espoused in CSR reports

Alpha Electronics

| Theme | CSR Report |
|--------------------|--|
| General CSR Intent | <ul style="list-style-type: none"> • Inheriting our Founders' Philosophy – Alpha has been doing CSR for 70 years. • Living in Harmony with Global Environment. • CSR management is founded on the company as 'public entity of society', the company does not exist solely to make money... |
| CO ₂ | <ul style="list-style-type: none"> • CO₂ reduction targets by 300k tonnes below 2007 levels. • Green Ideas Goal; We will reduce CO2 emissions across all our manufacturing sites. |
| Society/Community | <ul style="list-style-type: none"> • Co-existing with local communities – aiming to empower the next generation – support to educational programmes. • Happy children bring a bright future. • A public institution is only able to exist if it receives the support from society. |
| Energy | <ul style="list-style-type: none"> • Green Ideas Goal; We will produce energy efficient products. • We will encourage the spread of environmental activities across the world. |

Delta Electronics was founded in Japan in 1946 as a telecommunications engineering company and built Japan's first tape recorder. Today Delta's products include televisions, audio video equipment and digital cameras, and additionally they have a strong global presence in the personal computer market. Delta has a turnover of US\$78.9 billion and employs around 180,500 people in approximately 100 countries. The Chairman and Group CEO at Delta is one and the same, a British person. The founding spirit that defines Delta is to contribute to society through its products and innovations.

The media reporting on Delta in respect to CSR is mixed, with some reference to Delta's annual environmental conference and awards for their environmental efforts. However, Greenpeace accuses them of dubious practices in respect to waste policies and not committing to timelines for substituting environmentally damaging chemicals in their products. Overall, Greenpeace's Greener Electronics rating places Delta slightly above Alpha at 4.7/10.

Other media stories about Delta include safety-related product recalls, patent issues, allegations of controversial advertising and attempts to influence legislation holding electronics-producing companies responsible for the cleanup of the toxic chemicals contained in their merchandise.

Table 4b. Summary of researcher interpretation of intentions espoused in CSR reports

Delta Electronics

| Theme | CSR Report |
|--------------------|--|
| General CSR Intent | <ul style="list-style-type: none"> • Pursue CSR with an emphasis on realising a sustainable society – great innovations, industry leading product. • Fundamental belief in the importance of social responsibility. • Committed to integrity and sound business practice. • Renewing efforts to lessen environmental impact. |
| CO ₂ | <ul style="list-style-type: none"> • Co-hosted Climate Savers summit 2008. • Green management targets – to reduce emissions by 7% less than 2000 emissions by 2010. • Four-point commitment to WWF including raising consumer awareness of +global warming. • Greenhouse emissions measured at each site – 2007 shows increase. |
| Society/Community | <ul style="list-style-type: none"> • For the next generation – Contributing to science education... to support strong belief in importance of elementary and secondary science education • 1946 founding spirit was, and still is, to contribute to society through business and to enrich society by supplying radio, communications and technology to people. • It is up to each individual, including myself, to actively engage in these activities... Volunteering in local communities is just one example of how each and every Delta employee can engage in CSR activities and thus enable the company to reach the next level. (President and CEO) |
| Energy | <ul style="list-style-type: none"> • Most energy efficient TV. • European sites 100% renewable energy. |

The CSR reports of both companies appear to be very similar at first glance, but through reading the reports it becomes clear that the culture framing their CSR intentions is quite different. The most notable difference is that Alpha espouse a business philosophy underpinned by a moral code which includes a belief that money and profit are not their only goals, whereas Delta espouse a commitment to business growth and a contribution to society through the sale of their products. Notably, in their CSR report Alpha do not refer to their products.

Furthermore, Delta statements about key initiatives at their sites do not include quantitative targets, and explanation of how they propose to implement the initiatives is vague, whereas Alpha commit to more defined targets and explain clearly how they plan to meet those targets. One significant target that Delta do commit to is a 7%

reduction in CO₂ which was considered by several people in the focus group to be much too low.

4.2.2. Focus group interpretation of CSR Intent

In the focus group sessions, to establish what elements of their organisations' espoused CSR intentions the group members select as being important, or which they disregard, the following question was posed:

Researcher question: "Tell me about your organisation's CSR goals".

Alpha managers summarised their interpretation under the main headings of: Business Principles (BP), their environmental initiatives 'Green Ideas', how product is produced and local community with an emphasis on schools.

Delta managers' summary was: Aware of initiatives 'Enviro' and 'Volunt' but not so much CSR, green manufacturing to make product which lasts longer with less CO₂, packaging, and logistics. Unsure of specific CSR goals, CSR report very high level so not sure how it fits in to local activities. They also wrote on the flip chart summary: lack of time, interest or awareness of initiatives.

Both focus groups struggled to come up with a list of words to describe their organisations' CSR intentions; however, the broad themes that emerged in both sessions were generally consistent with my interpretation of their CSR reports. The only significant difference was that ethical business principles were not referred to in either focus group, although implicit in both companies' statements of general CSR intent, as shown in Tables 4a. and 4b., and particularly strongly in Alpha's business philosophy priorities. This observation will be discussed later in this chapter.

In both cases there was confusion about the organisationally espoused CSR intentions, and is illustrated by the following extract of dialogue from Alpha Electronics.

Conversation 1. Interpreting espoused CSR intentions

To establish the managers' understanding of their organisations' intention to embed CSR the question posed to the group was:

Researcher question: "What would you say are the most important (CSR) issues at Alpha so that I can hear from each of you to see what you are thinking".

Alpha Electronics: 0:33:13 (minutes in to focus group)

1. **DJ.** *"I think at this, at our level, well my level, I think it is the staff and the community."*
 2. **W.** *"I would agree with that."*
 3. **Ja.** *"I think it would be the Green, the environment."*
 4. **J.** *"I think a mixture of the two I think people and the environment (0.2) they are so closely together that you can't separate them out."*
 5. **S.** *"I would say the three of them."*
- Researcher** "which three?"

6. *S. "The staff, community and the Green."*
7. *P. "Yes, again those three, but I would also say product as well."*

Conversation analysis: In line 3. Ja. brings in '*Green, the environment*' as a new element of importance which appears to influence the following responders to add on to what the person before has said so that eventually all of the possible issues were selected as being 'most important' with no apparent discernment of prioritisation or relevance to the business. They eventually selected all elements referred to in their code of Business Principles (BP). Interpretation of this is that they are not certain what the espoused CSR intentions are so are selecting cues and guidance from each other and from their BP which is highly visible across the organisation including posters on the walls, printed on mouse mats and on their intranet. This interpretation is supported by the following extract from a follow up interview.

Interview extract 1.

Alpha DJ. *"we aren't really sure what CSR was for us or what is its boundaries what is its scope , and (0.5) despite that we all had a similar view of what we thought it was."*

After teasing out what the group understand the CSR intentions to be and writing a summary on flip charts for everyone to discuss, at the end of the conversation one manager said the following.

Conversation 2. Confused about intent

Alpha Electronics: 1:47:20

1. *S. "I am still (0.5)*
2. *I'm still totally confused about the whole thing about CSR where everything sits because to me it sits across so many different areas that you know, =*
3. *= call it CSR if you like, but I might want to call it (0.5) cost saving, I might want to call it health and safety (0.2) how can people be reasonably expected to understand CSR if it is so woolly."*

Conversation analysis: In lines 1-2 this manager, is admitting to still not being clear about the CSR intentions or where it 'sits' in the organisation. Line 3 reveals that he is concerned about what 'it' is called and interestingly in line 3 he does not actually refer to BP, although by this point the group had referred to it many times during conversation. This suggests that this person's scanning process has not directly linked the espoused broad CSR intentions with their BP. Through his sensemaking process he appears to be searching for definitive labels for CSR and a place to pigeon hole it, to give CSR an identity as they have done with their environmental initiative's 'Green' label which has been linked with their BP. Because definitive labels do not exist for CSR in Alpha he appears to be having difficulty moving from the 'scanning' and 'selecting cues' stage of the sensemaking process to the 'interpretation' stage of 'labelling for meaning and plausibility'.

Delta participants were even more unclear about their organisation's CSR intentions, and it appeared that as a group, through dialogue they were attempting to develop their

collective understanding and where they struggled to find collective interpretation they sometimes cited corporate mantra.

Conversation 3. Interpreting espoused CSR intentions

Delta Electronics: 0:21.07

1. **G.** *“To be resp= to be= to excite and entertain our consumers but in an environmental and responsible way, I believe is one of them.”*

Researcher “Is that a strap line?”

2. **G.** *“It is not word for word but it's something we have heard our President say.”*

Delta's espoused CSR intentions are underpinned by a focus on business and the sale of its products, see Table 4b. When encouraged to explain their interpretation of CSR at Delta the people in the study reverted to this underpinning, illustrated in Focus Group extract 1. and reflected in the organisation's code of conduct summarised in Table 6.

Focus Group extract 1.

Delta A. *“I see it quite a lot as a business motive to sell more products because consumers want us to say that, and they will buy from a company that has a good CSR record so if we put more money into CSR we will sell more product.”*

4.2.3 Communication of CSR Intent

To establish what information the managers access to interpret their organisation's CSR intentions and to ascertain how accessible communications are, the following question was asked to both focus groups.

Researcher question: “How can you find out information about your organisation's CSR goals.”

Focus Group extract 2.

Delta D. *“a launch with leaflets, posters”*

(D is referring to a launch of Delta's internally branded environmental initiative.)

In both cases the managers state that they do not read their organisation's CSR reports, intranet or related written communications about CSR. This may have a significant impact on the participants' confusion about their respective organisations' CSR intentions. The data show that managers form their interpretation of their organisation's espoused CSR from internally branded CSR initiatives, external consumer focussed marketing, noticing cues related to their own special interests, MD communications and from elements of their own role mainly marketing or general affairs, where their function is involved with CSR related activities. This is illustrated in the following extracts from both focus groups.

Focus Group extract 3.

Alpha DJ. *"I don't spend all day looking at the intranet and you know I think the majority of people don't."* **P.** *"I think only if you are involved in it do you actually go on there and think I'll read all that."*

Focus Group extract 4.

Delta D. *"even if there is something on websites saying this is what CSR is and these are our goals, chances are 9 out of 10 people just go, oh I haven't got time for that."*

Focus Group extract 5.

Delta G. *"it touches on what R was saying about what is perceived by the consumer as how eco and environmentally we are."*

4.3. Interpretation of CSR Outcomes

The final stage of the sensemaking process used as a guiding framework for this study, is an outcome of 'action', either congruent with, or not congruent with the espoused intention. To identify top level themes of 'outcomes' that respondents interpret as being congruent with their organisation's espoused intentions, snippets of text were selected from the transcripts where respondents refer to an 'action' or 'outcome' in the topics of energy reduction, CO₂ reduction or community engagement. For a second opinion, to check sensemaking and interpretation, these themes were discussed with my Supervisor.

Table 5. illustrates a summary of identified outcomes which will be discussed in detail throughout the following sections of this chapter. Also, analysis was made in respect to where within the organisation the outcome was driven from or supported; the following legend was used:

At Corporate level (**HQ**), from the MD's office (**MD**), Departmental level (**De**), Any individual (**Ind**), The respondent (**Th**), Site specific (**Si**).

A more detailed table of CSR outcomes for both companies can be found at Appendix. I.

Table 5. Summary of (CSR) Outcomes identified

| Company and Theme | Outcome | Where Outcome is Enacted |
|---|---|---------------------------------|
| Alpha Community | <ul style="list-style-type: none"> Mentoring children in local schools – industrial days, interview skills, marketing skills | Th , De, Si, HQ |
| Energy | <ul style="list-style-type: none"> Investment in product development to reduce energy and water (more than 1 product) | HQ |
| CO ₂ | <ul style="list-style-type: none"> Business plan objective to reduce emissions, switching off monitors, turning off lights, reduced number of printers on, changing lights, computer room in darkness, buying energy efficient servers, more efficient generator, video conferencing, cost saving and Green saving | Ind, De, Si, HQ |
| Labelled environmental initiatives (Green) | <ul style="list-style-type: none"> MD reinforcing BP and code of conduct - BP presentation had a Green slot | MD |
| Delta Community | <ul style="list-style-type: none"> 'Some things' in the community | De, Si |
| Energy | <ul style="list-style-type: none"> Reducing energy levels at sites, small steps recorded by graphs, buy energy from renewable source, green teams looking at reducing energy consumption in IT Low voltage TV (1 product) | Si, De |
| CO ₂ | <ul style="list-style-type: none"> Meeting commitment with WWF to reduce CO₂ by 7% by 2010. Initiated European wide project to reduce CO₂, hot spots identified in computer room, moved servers to reduce air-conditioning. Video conferencing. | HQ, De, Si |
| Branded environmental initiatives (Enviro and Volunt) | <ul style="list-style-type: none"> Active departmental group, green teams, the focus is cost and environmental benefit is a bonus Volunteering programme launched by MD and a Director. Enviro and Volunteer are separate initiatives. | De, Si HQ/MD |

The outcomes referred to in the focus groups were the same as in the follow up interviews. No additional outcomes, not previously discussed in the focus groups were mentioned in the interviews by either organisation.

This stage of analysis reveals that the managers refer to the CSR outcomes as being enacted at site level, department or HQ, but they do not refer to any actions of their own doing. This is explained in more detail later in this section. The single exception is

at Alpha, indicated by **Th**, which is an anomaly as this manager is referring to volunteering activities that he conducts independently of Alpha.

4.4. Managers' Sensemaking – Scanning and Interpretation

The second and third stages of the theoretical process of sensemaking are 'scanning and interpretation' and it is these stages that are the core focus of this study. By collecting data through focus group conversations and telephone interviews, the aim is to understand how these stages impact on what managers actually do.

The summary of main findings outlined in Section 4.1. mentions that both of the key findings address relate to the research questions shown in 2.5. For ease of reading, this next section explains outcomes from analysis of the data collected, reported under the headings of each key finding.

Finding 1. Manager's sensemaking process can lead to an outcome of 'No Action.'

Finding 2. Organisational culture impacts on CSR outcomes.

Reference is made throughout this section to the relationship between each finding and each research question. The relationship between research questions, key empirical study findings, secondary findings and theoretical literature is summarised in Tables. 7. And 8. and addressed further in a narrative format in the Chapter 5.

4.4.1. Finding 1. Manager's sensemaking process can lead to an outcome of 'No Action'

This main finding provides insight into all three research questions in respect to how managers make sense of their organisation's espoused CSR and reveals that a possible outcome of the sensemaking process is 'no action', which is most likely to be incongruent with the espoused CSR intentions.

The prime objective of the data analysis was to identify what managers scan, select, notice and bracket and how the way they do this impacts on what they do in respect to their organisation's espoused CSR intentions. The next section interprets conversations extracted from the focus group transcripts using CA (Sacks, 1984; Jefferson, 2004) as a fine grained analysis to understand 'What is going on here?' Extracts from follow up interviews are used to support initial interpretations of the focus group dialogue and to check the researcher's sensemaking.

The next two conversations illustrate how, through the scanning phase of sensemaking, people cognitively deselect the necessity and personal responsibility for them to take any action, and how they invoke defensive routines to maintain that interpretation.

4.4.1.1. Scanning and deselecting the present for action

We have seen that one of Alpha's externally published, espoused intentions is to reduce CO₂ by 300k tonnes below 2007 levels, see Table 4a. A striking example of how sensemaking could lead to inaction occurred during the 90 minute focus group at Alpha, when the issue of too many unnecessary lights in the room was raised ten times, by

different people in the group, yet nobody walked over to the light switch and turned them off. The following conversation from the focus group reveals how the managers reach an interpretation individually, and apparently collectively, that ‘no action’ is an acceptable outcome.

Conversation 4. Intent Theme Reducing CO₂

Alpha Electronics 0:36:21

1. **J.** *“You see the funny thing is (0.3) straight away you said we should reduce our carbon, first thing people talk about is carbon but absolutely everyone is sitting in this room with all these lights on (0.3) do we need them on? [Could we not have had half of these lights on?]”=*
2. **A.** *“[Yes, yes]”*
3. **DJ.** *“come back in 5 years time I think you will have a different story, because one of us would have come in and turned the back lights off or something similar like that.”*
4. **S.** *“But again, you see it’s the word awareness, because you know three years ago who would have thought of doing that, it is only that Green has come to the fore that people are starting to think about recycling, turning lights off.”*
(A gets up to walk to back of the room)
5. **J.** *“Are you going to turn the lights off?”=*
6. **A.** *“No, I am going to get a cup of tea to sustain myself.”*

Conversation Analysis: In line 1. DJ. is identifying incongruence between their organisationally espoused intentions and their present situation. In line 3 he appears to be accepting that there will be ‘no action’ and that they will not be turning off the lights, but that in future that behaviour may be different. This suggests a process of deselecting the importance of action in the present to some ideal in the future.

In line 4. S. also deselects the importance of present awareness and action in favour of reflection to a past situation where there was less awareness. Interestingly he is talking about ‘awareness’ whilst engaging in a conversation which is making all present aware that there are too many lights on but at the same time deselecting any likelihood of action in the present. In line 4. he uses the company internal label ‘Green’ to refer to environmental issues.

In the follow up one-on-one interviews 2 weeks later, participants were asked about their interpretation of what had happened.

Researcher question: “I noticed from writing up the transcript that the issue of too many lights on in the room came up 10 times, but no one turned them off, what did you make of that?”

In response only one person said that they had noticed this situation but they did nothing because they wanted to see if someone would turn off the lights. All other participants were oblivious to it, with the main response being that they guessed that everyone expected someone else to do it. Interview Extracts 2 and 3 illustrate typical responses to this question.

Interview extract 2.

Alpha A. *“That is quite interesting actually isn’t it...? It kind of shows that although we are thinking about it we are not actually doing anything about it.”*

Interview extract 3.

Alpha J. *“Do you want me to be honest with you, the whole reason for them not doing it... ah ah, I don’t agree with it but ‘it’s not my job, not my responsibility’ and they expect everyone else, it is everyone else, or somebody else’s responsibility, not everybody else but somebody else’s responsibility.”*

This notion of ‘someone else’s responsibility’ is examined further in 4.4.1.3. It is also interesting to note that when referring to the focus group, of which he was a participant, J. refers to ‘them’ and ‘they’, not ‘us’ as if to distance himself from what had happened, yet he also did not take action to turn off the excessive lights.

4.4.1.2. Scanning and deselecting CSR in IT

This study is not a comparison between the two cases but it is acknowledged that a contrast is likely. The difference between the respective IT Managers’ interpretation of their role in respect to embedding the espoused CSR intentions of their organisation is striking, not least because they both stand out as having a different interpretation to the rest of their participating colleagues. The two people appear to have adopted an interpretation of their organisation’s CSR intentions which is incongruent with the apparent bedrock organisational culture. This is analysed further in section 4.4.2.4. The following shortened text illustrates how the IT Manager at Alpha ‘deselects’ any relevance to the CSR intentions from her role. As a check of interpretation and sensemaking the full 22 line text, see Appendix J, was sent to two peers who confirmed a similar interpretation.

Conversation 5. Intent theme CO2 reduction

Alpha electronics 1:10:36

Researcher: *“W, in an IT sphere can you think of a situation where you personally have considered these CSR intentions in your day- to- day?”*

1. W. “I think in IT we don’t really have that much influence (2.00) to be honest (0.5) in fact I really can’t think.”

4. A. “There is probably something?(0.5) Like getting people to turn their monitors off at night.”

5. W. “Yeah that’s more general affairs really to get people to switch their monitors off at night isn’t it?”

10. A. “Just thinking of another one W, those reports that SAP did at some point somebody decided what was necessary and what wasn’t [so then] that saved all the trees and [paper]”

11. W. “[Yeah] but that was more from a, we don’t require the duplication, yes obviously [the ..].”=

12. J. = “[There] is an eco side to it.”=

13. W. = “Yeah, it had a knock on effect, it did save some trees, I don’t think there was a great deal of thought went into it, ok we don’t need to print off as many reports.”

Researcher: so what was the driver there W?

14. W. *"It was from a development point of view project, we don't require to duplicate development"*

18. J. *"[A lot of it has come from MW believe it or not].*

"[MW's very eco, very eco]" =

19. J. *= "MW believes if he had 2 things he would always take the energy efficient, look at it and make sure that it worked first, again it is just generally from staff."*

Researcher: so this chap MW.

20. A. *"[He is a bit of an eco warrior]"*

21. W. *"[He is on the technology side] which I don't really get involved in to be honest, the IT and TI sides are very separate so I am not aware if they are buying energy efficient servers or not (0.5) you tell me they are, great."*

Conversation analysis: In line 1, W deselects all CSR intentions as not being her responsibility or relevant to her area of work in IT. In lines 2, 4, 6, 8, 10 and 15 her colleagues scan and select different areas of influence, yet she deflects these cues and does not select them herself. It appears that her sensemaking process has been 'fixed' to one interpretation based on her 'scanning' phase and the way she defends her interpretation is by continuing to deselect all other cues presented by her colleagues.

In line 21, W distances herself from 'eco warrior' MW, yet he works for her, in her team. In the follow up interview W was asked about the decision making process in her team for purchasing new servers, she says she asked MW and he told her it was on cost alone *"I seemed to indicate that when servers etc. are purchased there is some consideration about emissions etc. but that is not the case"*. This is not congruent with the description of MW as a person in lines 18, 19 and 20 by two different colleagues or in line 22 where J explains in detail how the calculations are made in preparation for purchasing lower emissions servers *"we can measure the heat that is produced in the computer room and we'd work out the basis of what we need...so the energy that we use in the computer room over the last 18 months is considerably less."*

This focus group conversation was consistent with individual comments later in the one-on-one interviews. It is intriguing that the General Affairs Manager at Alpha believes that their IT department purchases new equipment with the consideration of energy and emissions, and is very specific about the people involved in buying equipment and how they determine what equipment would be most efficient, but the IT Manager says it is not the case, and that the buying decision was made using their usual drivers *"stability and low cost and that is what we are asked to deliver"* (W). This is interpreted as the IT Manager's sensemaking process scanning out Alpha's environmental goals where they conflict with her understanding of 'stability and low cost' and that currently she is not interpreting the espoused intentions to reduce CO₂ as an activity that could contribute to her drivers of reducing cost over time.

4.4.1.3. CSR is someone else's responsibility

We have seen from Conversations 4. and 5. examples of everyone being aware of the organisational CSR intentions and that they are expected to contribute to achieving these intentions, yet they do not take action and in doing so maintains the status quo. In Conversation 4. we see how managers at Alpha deselect their present day personal

responsibility to turn off the lights, and supporting Interview Extract no. 3. suggests that the reason for this is that ‘everybody’ considers it to be ‘someone else’s’ responsibility.

This is consistent with, when asked to talk about the CSR actions and outcomes, managers at both sites discussed initiatives by someone else, somewhere else, for example HQ or site level. None of them mentioned day-to-day actions in their own working role.

These examples suggest that, perhaps as a consequence of CSR being perceived as ‘woolly’, see Conversation 2., and managers struggling to label CSR for meaning and plausibility in their own reality, at the ‘scanning’ stage they have selected a cue that CSR is the responsibility of someone else, a designated CSR person and not the responsibility of every employee as espoused by the organisation, see Tables 4a, 4b and 6. It is possible that if this selected cue becomes ‘fixed’ in the sensemaking process, this could be used in a defensive routine to justify to themselves why their ‘no action’ in terms of the CSR intentions is congruent with intent.

4.4.2. Finding 2. Organisational culture impacts on CSR outcomes

Analysis has revealed that the two cases have very different underlying cultures and different CSR focus, see Table 4a, 4b., with Alpha revealing a more philosophical and values based approach whereas Delta adopts a business case approach. It appears that these two distinct identities influence how managers make sense of CSR in their organisation. To address research questions 1. and 3., the following section employs conversations and interview extracts to illustrate how the different cultural influences impact on how managers make sense of CSR and what they do.

A further observation is how some managers, through their sensemaking process, scan and interpret cues which are different from the cultural norm.

4.4.2.1. Scanning out Ethics

Ethical business policies and organisational codes of conduct are often cited as being a cornerstone of CSR. It has already been mentioned that managers did not talk about ethical principles when discussing CSR in their firms. The most consistent scanning and bracketing of cues at both sites was the deselection of reference to codes of ethics or codes of conduct. In both focus groups the issue of ethical business came up once briefly and was not mentioned again. This was very surprising as both organisations espouse ethical business principles, see Table 6.

Codes of conduct from both cases were read and interpreted to ascertain the overriding main themes. At Alpha the code of conduct was expressed in exactly the same way in the internal document and in the externally published CSR report whereas, at Delta, the code of conduct was not expressed explicitly in the CSR report. Table 6. illustrates a summary of prevailing themes in both codes of conducts that the researcher has interpreted to be an accurate reflection of the areas most relevant to this study. The extracts of text have been adapted to protect the identity of the organisations.

Table 6. Summary of themes from codes of conduct

| Company | Main Themes |
|--------------------------|--|
| Alpha Electronics | <ul style="list-style-type: none"> • Common group wide standards to guide employees in the practical implementation of Alpha's management philosophy. <i>Source; CSR report p. 15.</i> • As a company of high standards of corporate ethics we must be 'super honest' in conducting our business activities <i>in a transparent manner</i> and fulfilling our accountability. <i>Source; CSR report p. 24.</i> • Core values are clearly defined. <i>Source; CSR report p. 25.</i> • Our core values, Business Principles as a foundation <i>of the business. Seven principles company creed.</i> • Creation of value and contribution to society, an enterprise as a public institution. • Implementing the code clearly defined. <i>Source; CSR report p. 27.</i> • Each group will employ a director or executive officer to ensure the observance of the code of conduct; each group will take steps to ensure employee awareness of and compliance with the code through explanation of the policies and training. • Approach to enhance the brand through concepts derived from the basic management philosophy. |
| Delta Electronics | <ul style="list-style-type: none"> • Established May 2003 - Basic internal standards to be observed by directors, officers and employees of Delta group, to emphasise and further strengthen corporate governance, business ethics and compliance systems throughout the entire Delta group. • To be adopted and implemented by each Delta company as its own internal code of conduct • Ensure that all Delta employees are aware of the code of conduct the company inform its employees about the code through ongoing dissemination of emails, booklets, wallet cards, posters, posting on the company intranet and /or features articles on internal newsletters. • Education and training sessions that use e-learning and case studies... provide instruction both in business ethics generally and on individual aspects of Delta Code of Conduct <i>Source; internal document</i> |

Both company codes appear to be similar, both endorsed by senior management and both stating a commitment to ensure all employees are aware of, and abide by, the code. The main difference seems to be that the Code of Conduct at Alpha is explicitly linked to its longstanding business philosophy, summarised in seven core principles, whereas Delta's Code of Conduct appears to be a set of standards to improve corporate governance, disseminated through an e-learning process. During the focus group, Alpha managers did refer to their BP many times but did not associate that with a business code of ethics or with CSR. At Delta, managers did not mention their code when discussing CSR with most people not knowing where it exists, what it says, or how to access it. *"I have no idea, I presume we have, I presume we have." (R), "yes we have one, wouldn't know where to find it but one does exist, yes" (De.)* This could be a

further illustration of managers not reading the communications used to disseminate CSR information as discussed earlier.

To try to understand why codes of conduct were not referred to in the focus groups, in the follow up interviews each participant was asked to give their thoughts

Researcher question: “Your organisation states a commitment to ethical business principles; the issue of ethical business came up at one point but the group did not carry on a discussion about that, why do you think that was?”

Interview extract 4.

Alpha J. *“If you read any history on our founder and you go back in time you will see the business principles our company has been built on, ethically.”*

This quote refers to the organisation’s business principles and implies that it is a long standing business philosophy which encompasses their approach to ethical business.

Evidence of this ethical philosophy being enacted in day-to-day business at Alpha Electronics is powerfully illustrated in Interview Extract 5. where the General Affairs Manager explains how he was instructed to sell a valuable company asset at a lower price than offered because it was deemed to be more fair.

Interview extract 5.

Alpha J. *“Last year we sold a site in UK which was valued originally at about £6.5 M, it was a closed book tender, we had an offer on that building for £10.5M, I was asked to explain why the profit we were making on this building was so high and I was not actually allowed to sell it at that profit level.”*

This appears to be a significant action which is fully aligned with the espoused intentions written in the organisation’s CSR report, ‘*The company does not exist solely to make money*’ see Table 4a. This congruence is supported by a second example from the Finance Manager.

Interview extract 6.

Alpha DJ. *“As an accountant and in my dealings with external auditors I take a very, very super honest approach with them which I have never done at any other previous company.”*

If this statement is true, this is again congruent with publicised espoused intentions in their CSR report ‘*As a company of high standard of corporate ethics we must be ‘super honest’ in conducting our business activities in a transparent manner and fulfilling our accountability*’. See Table 6.

However, managers tell us that they do not read the CSR reports therefore the use of the phrase ‘super honest’ is interesting. It has already been mentioned that Alpha’s business principles are evident through posters and books, so if he has not read the CSR documentation it can be assumed that DJ has adopted the use of this phrase from highly visible artefacts which represent the underpinning philosophy.

At Delta Electronics the underlying philosophy appears to be guided by business growth, for example their founding spirit statement is to contribute to society through business and to enrich society by supplying radio, communications and technology to people as described in their CSR report, see Table 4b. This is supported by Interview Extract 7. in response to the researcher's question shown above, about Delta's commitment to ethical business.

Interview extract 7.

Delta A. *"I don't see behaviours here being dictated primarily by CSR policy rather than business policy."*

Managers in both cases appear to take their codes of conduct for granted but there is a strong sense that Alpha managers are actually acting in line with the code because it fits with their business philosophy. At Delta the code appears to be an enigma with selected cues such as 'awards' as a justification for taking it for granted.

Interview extract 8.

Delta DE. *"Um, possibly taken for granted amongst the people sat around the table that we are an ethical organisation and it is just a given. We have won awards and all that for being a socially responsible company so I think a lot of people just take it for granted perhaps."*

When asked about the company's attitude to ethics it was respondents from Delta who responded most defensively, stating that ethics are 'taken for granted' as illustrated in Interview Extract 9.

Interview extract 9.

Delta R. *"I just regard it as so mundanely boring, and of course we are not going to do things which aren't ethical."*

It is difficult to ascertain what the managers at Delta understand ethical principles to be; there were no examples from the Delta focus group or interviews of their code of conduct being enacted in a daily business context. Curiously, in the telephone interview R gives his own interpretation of ethics, shown in Interview Extract 10., which is disconnected from business activity in Delta.

Interview extract 10.

Delta R. *"When we are driving around the country we don't deliberately target cats to run over, you know I don't need to go on a course to tell me to do that (0.5) you know it is bleeding obvious, we are not going to try to do anything which is illegal or immoral or you know, unethical."*

What is particularly interesting is managers' interpretation of ethics being taken for granted at Delta, when considering that we have seen from the introduction to the cases in Section 4.2.1. that a number of allegations have been made in recent years against Delta in respect to unethical business practices.

An interpretation of the contrast between the two sites is that managers in both organisations take their code of conduct for granted; however, at Alpha, through their sensemaking process, managers select and bracket elements of the code which they enact in their daily activities. A possible explanation for this is because Alpha Electronics has a seventy year code of business principles and a philosophy which is underpinned by a commitment to society and fair business behaviour with many illustrative stories written by their founder. In contrast Delta has a founding spirit based on selling products to enhance society and an online ethics learning programme, see Table 6.

4.4.2.2. Manifestation of bedrock culture

At Delta, the focus group took the notion of CSR as a competitive business activity further through a conversation, illustrated by Conversation 6., where they appear to be convincing themselves that making and selling consumer products is a social service for an aging population – a theme which is congruent with the organisation’s founding spirit.

Conversation 6. Intent Theme Contributing to Society

Delta Electronics: 0:38:00

1. **R.** *“I think there is also aging population ease of use, you know you have got to think of (0.2) different groups of people who use products =*
2. *=I mean for me I have no idea how my grandmother is gonna cope with this digital (0.2) age=*
3. *= and if you consider things like this to get people to get connected with the new technology that is out there that is removing a chunk of technology poverty almost in some respects=*
4. *= so you have got to look at how you can make products and you are widening potential sales because you are making it easier to [use]”*
5. **D.** *“[I agree]”*
6. **A.** *“I, I could see how that could fit into :CSR but I don’t know 0.5) it’s almost (0.2).”=*
7. **T.** *“That is what we need to do anyway just to be more [competitive]”*
8. **A.** *“[Yeah absolutely](0.5) in business, and I can see how it could almost link in to a CSR policy of how we engage with communities and Ok you are a specific part of the population that (0.5) normally wouldn’t get (0.5) that sort of [functionality]”=*
9. **D.** *“[Absolutely].”*
10. **A.** *“and there you go, there is a new product we have designed which would give you that (0.2).and allow you to do [that].”*
11. **G.** *“[Yeah] not alienating big chunks of the population by being aware of who your consumers are.”*

Researcher “So is that CSR or just good business practice?”

12. **G.** *“I think it is a mixture.”*

Conversation analysis: In line 1. R makes the commercial argument that the organisation must sell products to diverse groups of people, in lines 2 and 3 he starts to link this argument with CSR by selecting his own grandmother as an example, by line 4

he is explicitly scanning and selecting cues about the value of potential sales and ease of use of products. Overall, he is selecting a commercial benefit of helping an aging population to access technology, linked with selling more products.

In Line 6 A is trying to make sense of what R has been saying and in line 7. T offers a cue of 'competitive business' that links CSR with the commercial argument R has given. In line 8 A initially selects this cue of competitive business and agrees, but then reselect his own bracketed cues of importance around engaging with the community. In line 11 G picks this up to select both elements of commercial, consumer importance and inclusion.

4.4.2.3. Too Busy to Do CSR

During the focus groups, Alpha respondents gave several, specific examples of community volunteering in the focus group setting, with most of the people giving different, detailed examples of organisational volunteering initiatives, predominantly in schools. In the Delta focus group, only a couple of people spoke non specifically about the concept of community volunteering. A formal 'volunteer' programme was mentioned as having been endorsed by their MD (see table 4b) but during group dialogue, illustrated in Conversation 7., and also in the follow up interviews it was reinforced that despite having a programme for people to go volunteering, at Delta. 'no one has the time', because they are too busy.

Conversation 7. Intent theme Commitment to Society

Delta Electronics: 1:0:40

1. **D** "I don't actually know who to talk to about it and then you can go to someone and they say yeah it is great but I am so busy I haven't got time"
3. **G** "The focus and prioritisation is different, sales is targets, bonuses etc."
5. **De** "My manager wouldn't let me, or I am too busy"
6. **T** "When it comes down to it business has to be priority we can't run ourselves out of business by just volunteering all the time."
7. **D** "I hear a lot of I'd really like to do that but (0.2) you know(0.2) I have actually got a day job and most of them have day jobs that mean 10-12 hour days already (0.5) so to try to do(0.2) a social engagement day for example (0.2)or to try to take time out to be on a green team is absolutely :impossible."=
10. **D**= "So it's something I do when I have got time out from my day job"
11. **A** " :Anything based on volunteers is never going to have that same impact"=
12. **D** = "because it doesn't have that same level of priority does it (0.2) oh I'll do that when I get a minute, and I see CSR (0.2) you know we talk about it being important but actually we don't have anyone whose job is CSR so how important can it be?"

Conversation analysis: In line 1. D is selecting and bracketing the cue that other colleagues are too busy to support her with CSR activities, and again in line 7., she refers to other people being too busy. It is line 10. that she acknowledges herself as not having enough time. In line 3. G selects the cue of sales targets and bonuses being a prioritisation which excludes CSR and in line 6. T supports this by selecting that same cue to endorse the prevailing theme that they are all too busy doing 'business'. It is interesting to note T's concern about volunteering 'all the time', when the reality is that there is no evidence to suggest they are currently doing it at all. Interpretation of

conversation is a defensive routine which the group are collectively nurturing through their dialogue to reassure themselves that they are far too busy running the business to volunteer. An interpretation of this is that it appears to be conducive to the organisation's bedrock character, but not congruent with its espoused intentions to engage each and every Delta employee in CSR through volunteering, see Table 4b.

One interviewee from Delta commented that he is frustrated that not much CSR is put into practice, that they 'think about it' but 'don't do it'. When asked directly about examples of CSR in the day-to-day work he replied *"No, I would really say that I have seen no real tangible examples"* (A), and another respondent *"If I could see project after project, deliverable after deliverable then I would say yep we are doing something(0.5) if I could see something."* (R).

We have noted that Delta espouse bold commitments to society and community in their 2008 CSR reports through adopting a predominantly business benefit case approach to CSR. Their statement *'Living in harmony with local communities is key to Delta's Global Localisation'* see table 4b, could be seen to represent deeply held bedrock assumptions and focuses on the global growth of the business. This could mean that local community, small scale volunteering initiatives which are the managers' interpretation of the espoused intentions to contribute to the local community, are not actually the genuine intention of the organisation.

During the focus groups and follow-up interviews with Alpha respondents there was no mention of 'too busy to volunteer'. A further contrast is attitude towards the economic climate between Delta, where the economy is a reason for not prioritising CSR.

Interview extract 11.

Delta DE *"It (CSR) is just not their priority (0.5) in the current economic climate their priority is to get the sales (0.2) they wouldn't give it (CSR) a second thought, that is the reality of it."*

At Alpha the same economic impact is embraced as a CSR opportunity.

Interview extract 12.

Alpha L. *"We hear a lot about the recession but from my side it is sort of seen as a necessary evil and it gives us an option to look at ourselves and look at new ways we can work, and look at new ways we can improve ourselves sort of thing, so I think all that links in quite nicely with the Green ideas and they both support each other quite well."*

4.4.2.4 Bucking the CSR cultural norm

In respect to organisational culture, although the two cases were chosen for similarity, this analysis reveals that their underlying culture, mechanisms and drivers for CSR are quite different. A further very interesting finding is the difference between the two IT managers at each case because both stand out as not following the cultural norms in their organisations.

The IT manager at Alpha, see Conversation 4, appears to not understand the role that IT can play in reducing CO₂ emissions. She deflects all attempts to persuade her that she and her department can contribute to meeting Alpha's CSR goals, against a backdrop of a deeply embedded business philosophy with which the espoused environmental goals have been linked. This is in contrast to the enthusiasm to embed the espoused CSR principle from the IT manager at Delta whose passion stands out against a backdrop of comments from colleague about being too busy and cynicism about failed past initiatives.

Most of the data contribution to this study about embedding practical environmental initiatives at Delta comes from one enthusiastic person, the IT Manager, R. The focus group conversation revealed that the IT department's intentions to set up green teams and interactive forums at Delta is driven by a few keen individuals, including the IT Manager, *"new forums being set up. People will be in charge of certain topics eg. water consumption (0.5)bottom up with facilitators helping"* (R).

During his interview R. revealed that there is some resistance from the rest of the organisation and expressed his frustration toward his colleagues for not embracing environmental issues. Interview Extract 13. illustrates his reaction to being asked for his view on comments made in the focus group that people at Delta were too busy to engage in CSR.

Interview extract 13.

Delta R. *"I sat there and thought, you know I am not going to take much of what you say seriously any more because you don't actually know how the company runs"*.

This could be interpreted to mean that R. has an interpretation of the company's espoused CSR which is different from his colleagues, aligned with his own values and not aligned with the prevailing, bedrock underlying values of the organisation. This could create a situation where he will feel constantly challenged in his passionate, but lone, CSR endeavours which are not perceived as being congruent with the underpinning culture. This is explored further Section 5.

4.5. Summary of Findings

Table 7. illustrates the relationship between the main findings, secondary observations and the research questions.

Table 7. The Relationship between findings and research questions

| Research Questions Findings | RQ1. How do managers make sense of the CSR intentions espoused by their organisation? | RQ2. What are the outcomes of the sensemaking process? | RQ3. To what extent are these outcomes congruent with their organisation's espoused CSR intentions? |
|--|---|---|---|
| Manager's sensemaking process can lead to an outcome of 'No Action' Additional Observation: Managers do not read CSR reports | Through the scanning process of selecting and deselecting cues which are influenced by perceptions, identity, culture and theories-in-use. Likelihood of inaccurate interpretation of intention | Outcome of scanning and selecting cues, interpretation of the cues can lead to NO ACTION. | NO ACTION, maintaining status quo is incongruent with the espoused intentions of the organisation which state that all employees are expected to contribute to CSR. Incongruent outcomes of no action and 'somebody else's responsibility' |
| Impact of organisational culture on CSR outcomes Additional Observation: Impact of labels and identity on action | CSR grounded in a moral framework or a business case justification will lead to different sensemaking cues. People are attracted to monikers and labels that they are familiar with. With nebulous constructs they struggle to find meaning and plausibility in their own reality. | | Ethical business conduct is generally taken for granted. Where the culture is underpinned by an identifiable moral framework the spirit of ethical business is enacted. Where the underpinning is business and profit it is not enacted. |

Table 8. illustrates a summary of the findings in relation to existing theory and this empirical study. These will be discussed in the next section in respect to how these findings contribute to practice and theory.

Table 8. Summary of findings

| Finding | Literature | Empirical |
|---|--|---|
| Sensemaking can lead to no action | Sensemaking Daft & Weick (1984), Thomas <i>et al.</i> , (1993), Weick (1995) Theories in action – defensive routines Argyris (1990, 1992) Perceptual filtering Starbuck & Milliken (1988) | Deselect the present means no action. Manager's sensemaking deselects relevance of organisationally espoused CSR from their role so no action necessary. People distance themselves from colleagues with a different interpretation to avoid embarrassment. |
| Labels for plausibility Managers do not read reports | Identity Alvesson (1990), Hatch & Schultz (1997) Perceptions Sutcliffe (1994), Mezas & Starbuck (2003), Interpretive systems Gioia & Chittipeddi (1991), Greenwood & Hinings (1993) Tacit experience Rouleau (2005) | Ethical business is understood and plausible if labelled as, and referred to, as internally identifiable moniker. CSR intentions understood if referred to as organisationally identifiable initiatives. Individual tacit experience fills the gap where labels don't fit or intention is nebulous. |
| Culture can influence CSR action | Bedrock assumptions Schein (1992) CSR character Basu & Palazzo (2008), Image & Identity Albert & Whetten (1985), Dutton & Dukerich (1991) Hatch & Schultz (1997) | Outcome of being too busy selling products to do CSR, even if congruent with espoused CSR intentions to sell products for good of society. Many failed CSR initiatives and cynicism. CSR is enacted where it is perceived to fit with deeply embedded, morally grounded business principles. |

CHAPTER 5. DISCUSSION

The introduction to this document discussed the contemporary business problem of a gap between rhetoric and action in the context of the commitments organisations espouse towards the environment and society, compared with what the people in the organisation actually do in daily business operations. The main findings of this study provide some insight into how managers' sensemaking processes can prevent them from taking any action related to CSR intentions, and are therefore a likely contributory factor to the problem.

In exploring how managers make sense of their organisations' espoused CSR intentions and how their sensemaking impacts on what they do, this study has shown that the information managers scan and select is influenced by their own perceptual filters, tacit experience, theories of action, organisational culture and identity, all of which impact on their interpretation and subsequent behaviour. CSR is often a 'woolly' nebulous construct which managers are expected to contribute to but are rarely given any guidance or frameworks (Randel, 2002; Zwetsloot, 2003). CSR appears to have an image and reputation related profile in many organisations so it is no wonder that some managers might feel concerned that they have confused understanding and inadequate skills to enact the espoused CSR intentions. Argyris' (1990) theories of action suggest that managers do not engage in an activity if it does not make sense in their world or if it poses a threat or embarrassment to them. In trying to make sense of this phenomenon, we should be mindful that the sensemaking process is usually subliminal and that defensive routines can emerge as a subconscious self-protection mechanism.

An early proposition in this study was that CSR intentions espoused externally through organisations' CSR reports, marketing and PR materials and internally through codes of conduct or business principles, are interpreted differently by the managers of the business who are expected to enact the espoused intentions. The empirical study findings indicate that most managers in the same company have similar interpretations which are aligned with the prevailing culture of the organisation (Greenwood & Hinings, 1993). However, the more interesting observation is that some managers draw on different influences and perceptual filters which lead to alternative interpretations of the espoused CSR aspirations, which then impacts on what they actually do.

Some managers believe that they understand the CSR intentions and that they are acting in alignment with the organisationally espoused CSR principles; however, both the literature and the findings from this empirical study indicate that managers can adopt inaccurate perceptions (Mezias & Starbuck, 2003), through the information they select and retain in their sensemaking process which informs their decisions. They can 'preserve' these perceptions, incorrect or otherwise, through defensive routines, which can lead to action or inaction, neither of which is congruent with the original intentions. Through their defensive routines people convince themselves that they are acting congruently with the espoused intention.

A fascinating observation from this study is that even if the prevailing organisational culture is aligned with the espoused CSR intentions and the underpinning principles of

CSR, it appears that managers own sensemaking can ‘derail’ interpretation and subliminally sabotage enactment of CSR intentions. This indicates that, for CSR aspirations to be embedded, it is necessary for there to be sensemaking coherence between organisational interpretive systems and individuals’ interpretation and meaning making. Effectively this means the necessity for an explicit interrelationship between organisational sensemaking and individual sensemaking.

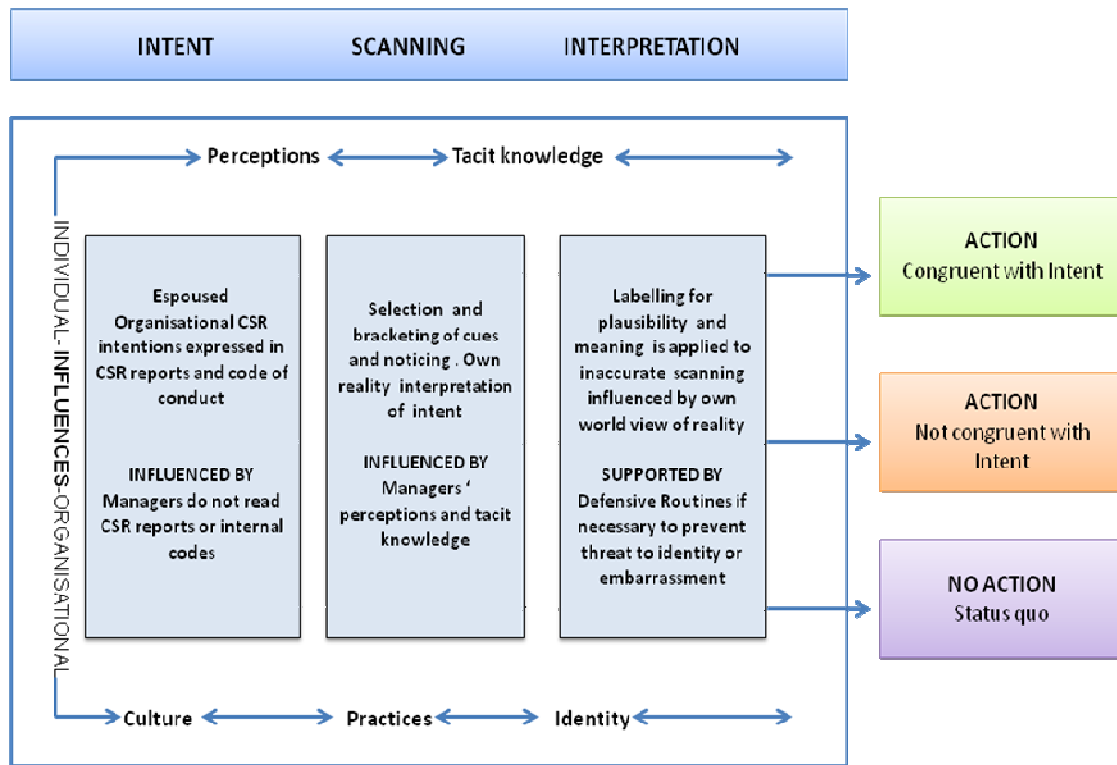
5.1. Emerging from this study

If organisations are genuinely committed to embedding their CSR principles, the gap between rhetoric and action must be understood and addressed. The findings of this study suggest that managers’ sensemaking can be a contributing factor to this disconnect, and that more research is necessary to understand the implications of alignment between organisational sensemaking and individual sensemaking.

The main findings from this study are that managers’ sensemaking process can lead to an outcome of ‘no action’ and there is a strong interrelationship between bedrock organisational culture and managers’ sensemaking processes which impacts on CSR outcomes. The scanning phase of the sensemaking process appears to play a critical role in terms of how intentions are interpreted and what the outcome of action will be. This suggests that through subliminal scanning and deselecting aspects of the espoused CSR intentions, the interpretation can become distorted with ensuing outcomes, including no action at all, which are not conducive to the intention. When these outcomes are protected by defensive routines an unconscious blindness to alternative interpretations can evolve. A possible explanation for this is because if the individual accepts different cues they may have to do something which they feel inadequately trained in or knowledgeable about, therefore feel threatened by the scenario. Where people do not have enough information they make it up as they go along, which tends to result in simplified assessments of situations and limited action response patterns. This can reinforce a feeling of inadequacy and threat, which managers react to by attempting to maintain control through actions which are consistent with their current interpretive frames, thus maintaining the status quo (Thomas *et al.*, 1993, p. 244).

The model emerging from this study can be used to shed some light on this problem and help make sense of how managers’ sensemaking can impact on CSR outcomes. The following model builds on the three theoretical sensemaking sequences used to guide this study. The three frameworks, Daft & Weick (1984), Starbuck & Milliken (1988) and Thomas *et al.*, (1993), assume that an action, either good or bad, will be the outcome. These could be described as actions of ‘commission’; however, this study found that an alternative outcome of the sensemaking process is ‘no action’, i.e. the action of ‘omission’ and maintaining the status quo, as shown in Figure 6.

Figure 6. Impact of managers' sensemaking on CSR Outcomes



Application of this model can be illustrated through discussing the practical implications of the findings.

A 'no action' outcome of the sensemaking process is possible even when people are fully aware of the espoused CSR intentions of the organisation they represent and what is expected of them. As managers admit to not reading the CSR reports, bulletins and newsletters circulated across the organisation (Mezias & Starbuck, 2003) it is curious how they do actually become aware of the CSR goals in their firms. They appear to draw on their tacit knowledge and from selected words (Chia, 2000) in an attempt to complete an interpretation that they feel comfortable with, filling any gaps in their perception with socially constructed data. This can impact on the sensemaking process from the outset and it appears to be 'hit and miss' as to whether the managers' sensemaking starts from the same point as the organisational sensemaking, let alone remaining aligned through the iterative sensemaking process (Weick, 1995) as it meanders, ebbs and flows through different selection of cues, noticing and bracketing.

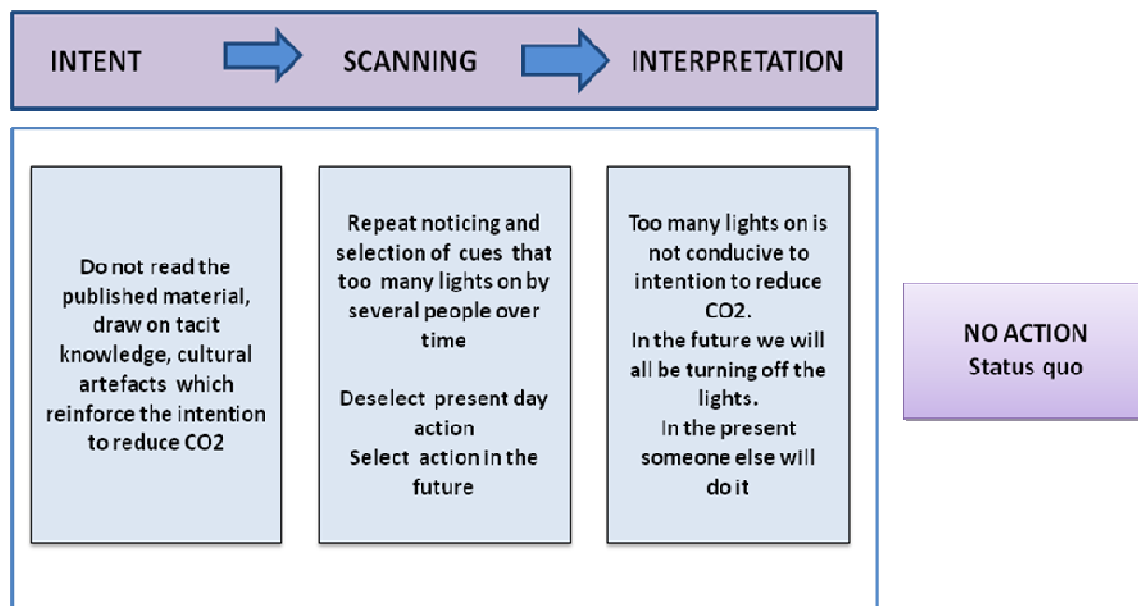
5.1.1. Deselecting the Present

It might be assumed that a group of people who all agree on the same interpretation of CSR intentions, and all understand what is expected of them might enact that expectation. However, Section 4, Conversation 4. is an extraordinary illustration of how a group of people, who have all expressed the same interpretation of their organisation's intentions to reduce CO₂ emissions and energy use, through dialogue, persuade themselves that they do not need to take any action. Their sensemaking leads to a plausible story that it is not necessary for them to turn off the extra lights 'today' to

reduce CO₂ and energy, but that they might do so in the same situation at some time in the future. Through dialogue they cognitively removed themselves from the present, effectively deselecting factual evidence (Weick, 1995) that sitting in a room with too many unnecessary lights on is not behaviour which is congruent with the CSR intentions. Their interpretation of the situation justifies their not taking any action.

Figure 7. illustrates how the emerging model Figure 6. can be applied to the sequence of sensemaking events resulting in excess lights not being turned off.

Figure 7. Deselecting the present



People appear to be unaware that they deselect the present reality, this appears to be subconscious and where this happens unconscious inaction can occur. What is even more fascinating is that in the follow up interviews only one person remembered any conversation about the lights at all and that person is someone with environmental concerns.

This single example of the lights seems relatively unimportant; however, if this scenario is happening in organisations like Alpha, all over the world, every day, this could be a significant indicator as to why organisations are not achieving their espoused CSR intentions and why goals to reduce emissions and energy use, necessary to reduce the impact of climate change, are not being met. People seek plausibility through making sense which fits with their own reality, even though their perceptions may not be accurate, and this inaccuracy goes unnoticed and undiscussed (Argyris, 1990, 1992). If we take the scenario of not acting to turn off lights to more strategic matters such as large construction projects, mining, forestry or oil and gas projects, then, in terms of global sustainability issues, the ramifications of the gap between what organisations espouse as their commitment to protect the environment and enhance society, and their people not acting congruently with those espoused commitments could be enormous.

5.1.2. Deselecting Responsibility

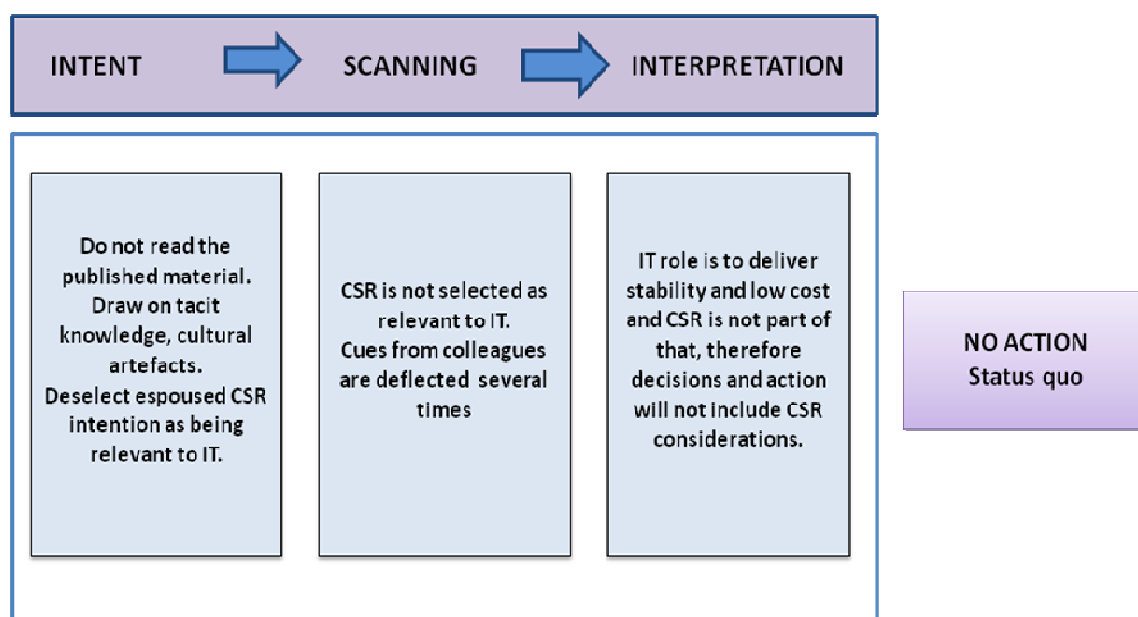
Another very interesting observation is how people skilfully refuse to accept cues and prompts from peers which do not align with their interpretation of responsibility to act that they have reached through their own sensemaking and feel comfortable within their own world. People can maintain the integrity of their chosen interpretation through invoking elaborate defensive routines of defensive sensemaking and defensive reasoning to deflect new data that might undermine the interpretation they feel safe with (Argyris, 1990, 1992). The following section provides insight into this phenomenon.

The literature review section of this document discussed how people engage defensive routines when they feel threatened or challenged and in the empirical study this was reinforced by the IT manager at Alpha who would not entertain the idea that she had any responsibility for embedding the organisation's espoused CSR intentions. Her colleagues had a different interpretation of her potential role in IT to contribute to reducing CO₂ and energy use and they presented her with a number of examples and cues which, through her sensemaking process, she deflected, and filtered out as not being relevant to her or her alternative interpretation (Daft & Weick, 1984; Thomas *et al.*, 1993).

What was even more fascinating is how she had 'conceptually fixed and labelled' (Chia, 2000) her sensemaking position and defended her interpretation to the extent of distancing herself from one of her staff members because he had been highlighted as someone with an alternative interpretation that IT can have a significant role to play in embedding the firm's CSR principles.

We can summarise this through the model of 'Impact of managers' sensemaking on CSR Actions'.

Figure 8. Deselecting Responsibility



Where people deselect CSR intentions as not being relevant to their area of responsibility it means that they do not have to do anything about it, and as their perception filtering process de-emphasises this incongruence (Starbuck & Milliken, 1988), the 'no action' outcome becomes interpreted as plausible in their own frame of reality.

People activate sensemaking processes to make sense of disruption to seek ways to resume the interrupted activity within the framing that they are comfortable with (Weick *et al.*, 2005, p. 409). In this example the IT manager is preserving the frame of reference that she is most comfortable with (Goffman, 1974) and not selecting the cues from her colleagues that reducing energy to meet CSR intentions also contributes to her frame of responsibility in terms of cost reduction outcome.

5.1.3. Organisational culture, identity, sensemaking and CSR

During this empirical study it became obvious that the two cases, Alpha and Delta, have different organisational identities and cultures which influence how managers make sense of CSR in their company. For example, the deeply held, morally grounded business principles at Alpha Electronics underpinned managers' interpretation and their enactment of CSR. During data analysis I was persuaded by the evidence that attempts to embed CSR principles are more likely to be successful where espoused CSR intentions fit comfortably with the organisation's culture and deeply cherished identity, and if that prevailing identity is underpinned by a moral framework then enactment of CSR would be more likely (Frederick, 1994). But then I realised there was another phenomenon impacting on the CSR outcomes. When I looked again at the empirical data I realised that there is an interrelationship between the managers' sensemaking and the organisational sensemaking.

On closer analysis and reflection it became clear that the most illuminating examples of managers' sensemaking processes leading to 'no action' were in the organisation with a deeply embedded culture that could be assumed to be conducive to a 'CSR character' (Basu & Palazzo, 2008) and CSR identity.

Organisational identity is grounded in local meaning, expressed through cultural artefacts (Hatch & Schultz, 1997, p. 360) and enacted by the individuals who are influenced by cultural patterns of the organisation. Individuals' identities and what they identify with will depend on their interpretations of what the organisation stands for (Alvesson, 1990, p.374) such that the identity of individuals is influenced by the activities of the collective. Weick (1995, p. 60) suggests that 'People construct that which constructs them, except both constructions turn out to be one and the same thing'. This study suggests that might only be the case until individual sensemaking overrides organisational sensemaking and managers deselect cues from the prevailing image and interpretative systems (Greenwood & Hinings, 1993) to follow their own desire line of interpretation and action within their own frame of reality.

There is a great deal of theory to suggest that organisational identity and individual identity are entwined and interrelated (Alvesson, 1990; Hatch & Schultz, 1997; Gioia *et al.*, 2000). Sensemaking is a further interrelationship, as culture is the context in which identity is formed and this relationship contributes to a system of meaning and

sensemaking that defines an organisation which can be considered to be the essence of organisational sensemaking (Alvesson, 1990; Hatch & Schultz, 1997; Gioia *et al.*, 2000). Further, individuals' sensemaking is also entwined as managers' sensemaking and behaviour are influenced by the socially constructed image of the organisation (Alvesson, 1990; Weick *et al.*, 2005, p. 416) which shapes what individuals interpret and enact and therefore reinforces image.

I propose that it is necessary for the organisational sensemaking and the individual's sensemaking to be aligned for CSR intentions to become enacted in daily business decision making and behaviour. If there is incongruence between the organisational and individual cues, individual's sensemaking processes will try to resolve the dissonance (Festinger, 1957) and to make sense of their own reality through selecting new cues, possibly from tacit knowledge, to make an alternative, plausible story which is likely to lead to no action.

Identity construction can be considered to be at the root of sensemaking (Weick *et al.*, 2005, p. 416). An operative image of organisation emerges through sensemaking (Weick *et al.* 2005, p. 410) and can be seen as a mechanism for extracting cues, so it is interesting that in the study Alpha managers share an internal image of their organisation which is a manifestation of their perceived identity and something that appears to influence them. Although they were not sure what CSR is they all said very similar things and selected cues from their Business Principles which shows how individuals interpret what they perceive the organisation to be through their sensemaking (Hatch & Schultz, 1997, p. 361).

At Alpha their BP appeared to be the common lynch pin to hook the cues and interpretation for CSR; when managers discussed CSR in their organisation they selected cues from an image around a philosophy and moral framework deeply embedded in their culture. It was curious that during the focus group discussion it appeared that Alpha managers were deselecting and ignoring the issue of ethical business conduct which is a cornerstone of their deeply held business ethics, but it became clear that it was matter of semantics. Alpha managers did not think of business ethics in association with their business philosophy because when they make sense of responsible business behaviours they do not use the language of 'business ethics' or 'codes of conduct'. Their business principles that guide the way they do business is so strongly embedded in the organisation that they are generally taken for granted and lived and breathed as the way business is conducted. Their principles have an internal image, internal 'label,' and an identity with which people in the company passionately associate themselves.

At Delta the managers selected cues from their prevailing image about the sale of their products such that when talking about their espoused contribution to community they selected cues to link commercial activities with societal need. It can be seen how an overriding culture of 'business and profit first' does not help managers understand what is expected of them in terms of CSR or to motivate them to engage in CSR activities. In general, CSR intentions in daily business do not seem to make sense to people where the bedrock character of the organisation is to 'sell things and to make money'. People try to make sense of CSR within the overriding framework, for example Conversation 6.

in Chapter 4. Delta managers struggled to align the business focus of selling product with their organisational social responsibility commitments. An irony of this scenario is that managers believe that the sales people have no time for CSR because selling product is their sole priority, yet their marketing people are promoting green products as a commercial advantage; therefore, it seems there may be a disconnect in understanding and interpretation of how CSR can be aligned with their business growth focus.

The outcome of this scenario is ‘no action’ in terms of community engagement because the dominant message is to focus on selling products, and the sensemaking process can fail to combine incongruent cues and interpretations to create a story that sounds plausible and defensible, and can be practically enacted. This can lead to failed initiatives with people becoming cynical and disgruntled, and resistant to the notion of CSR, so much so that managers raise many different reasons for ‘no action’ in respect to CSR. This suggests that ad hoc CSR initiatives which are not aligned with an underpinning organisational character are not seen to be plausible, so people will firstly avoid engagement (Basu & Palazzo, 2008), followed by defensive routines which create perceived barriers to CSR, and therefore initiatives are likely to fail.

The literature review revealed how sensemaking is driven by plausibility rather than accuracy (Weick 1995, p. 55) and is about continued redrafting of an emerging story (Weick *et al.*, 2005, p.415). This study suggests that in making sense of CSR, when managers select cues from a significant, culturally embedded identity and create a story that links CSR with that identity, the outcome can be a plausible interpretation which aligns espoused CSR intentions with underlying cultural principles. The likelihood is that the CSR intentions will be enacted, but only when the individual’s sensemaking, scanning phase selects and brackets cues are congruent with each other from both underlying culture and CSR goals.

5.2. Implications for embedding CSR

One of the perennial challenges of embedding CSR can be that CSR is not usually a defined strategy, or a single policy, but more an aspirational construct to which managers are expected to contribute. In both of the study cases, managers were confused about their organisation’s CSR intentions and labelling. Semantics were important for them to gain a sense of plausibility and relevance of CSR in their own reality. Where the constructs are considered to be ‘woolly’ and the labels do not fit, people follow their own desire lines, aligned with their own tacit knowledge and experience, to find meaning. This might lead to an outcome of action which is either congruent or not congruent with the espoused intentions.

The existence of a code of conduct is often interpreted as meaning that an organisation behaves responsibly, but this study shows that codes are taken for granted. I suggest that in organisations where codes of conduct are taken for granted and where judgement of ethical standards is made by selecting cues from industry awards, it is very likely that managers will not act in alignment with the espoused organisation’s code of conduct and that allegations of unethical behaviour may follow, exactly as we saw in the Enron scenario of 2001 (Kulik *et al.*, 2008).

Without understanding more about the relationship between organisational sensemaking and managers' sensemaking this distorted interpretation is likely to remain unchallenged. The literature review in this document discusses how the CSR fraternity is self congratulatory and oblivious to blind spots and incongruence between rhetoric and action (Conley & Williams, 2005). However, the implication from this study is that CSR teaching and consulting, including in HEI, requires a fundamental shift in the way executive education is designed and delivered.

Currently there is a prevailing assumption that if the organisational culture is 'mended' then CSR behaviours will follow accordingly (Basu & Palazzo, 2008; Brickson, 2007) but this study suggest that alignment of sensemaking between individual and organisation is also necessary.

There is some indication from this study that a business case focus on CSR may be less successful in embedding CSR intentions than a philosophical, moral imperative, yet this study also shows individuals with energy and determination to enact the CSR intentions as they interpret them, through their own sensemaking, as being aligned with the business growth focus. I propose that it is not necessarily only the bedrock culture of business and profit that is preventing CSR from being embedded, but that there is a misalignment between organisational sensemaking and the managers' sensemaking such that they do not perceive a relationship between CSR and business. This notion could have a great impact on organisations shifting from aspirational to enacted CSR.

The overriding implication for embedding CSR is that this study makes a theoretical contribution to the prevailing sensemaking process model in that the 'no action' status quo is a possible outcome, and also contributes theoretical insight into the phenomenon of the interrelationship between organisational sensemaking and individual sensemaking.

CHAPTER 6. CONCLUSION

This study set out to attempt to understand how operational managers' sensemaking of CSR impacts on their behaviour. It also aimed to identify whether incongruence between espoused CSR intentions and managers' behaviour is noticed and acted on, or if incongruence is noticed at all. The objective of this study was 'new knowledge for new practice' with an anticipated outcome that the findings might contribute to the ongoing development of executive education in the field of CSR.

The findings from this research study suggest that the best results for enacting CSR intentions are likely to occur in a culture, underpinned by a moral framework, but only when there is alignment between individual sensemaking and organisational sensemaking.

However, these findings should be treated cautiously as only two cases were studied and the fifteen participants may not be representative of their organisations. It is not, therefore, possible to draw any generalisable conclusions from this study alone.

The results indicate that managers have inaccurate and distorted interpretations of their firms CSR intentions, and if they cannot make sense of CSR intentions in their own world reality they are not likely to act congruently with the espoused intentions. Furthermore, they do not read the CSR reports and communications that organisations spend time and money creating. From a practical view this could suggest the necessity for novel CSR communication methods, including discussion forums and communities of learning to find out what CSR means to managers and how they interpret CSR in their own day- to-day reality.

6.1. Methods

To observe sensemaking as an ongoing iterative process an ethnographic approach to this study may have produced richer and more robust findings, but that approach was not possible due time limitations. However, a focus group process of data collection with conversation analysis transcription method proved to be perfect for this research, resulting in a deeper understanding of managers' sensemaking processes which are usually subconscious and undiscussed. Participants in the study said that they do not usually talk about CSR in terms of daily business activities unless given designated space and opportunity to do so, which is rare. As focus groups work best for topics people could talk about to each other in their everyday lives, but do not (Macnaughten & Myers, 2004) this choice of research method was very appropriate. Moving forward it would seem that more focus group discussions in organisations, both in a research and education context, would be a good way to make sense of how to address the challenges of embedding CSR.

6.2. Executive Education in CSR

There is a view that CSR management education is not currently effective in providing managers with skills and knowledge necessary to embed CSR in organisations.

Giacalone and Thompson (2006) suggest that management education is largely taught from a world-view which is driven by profit and materialism, and is considered contra to the broader responsibilities of business to society and the natural environment.

This study shows how companies expect managers to conduct their clearly defined roles and responsibilities and at the same time enact CSR intentions which are often nebulous aspirations without related KPI. The constructionist nature of CSR surely requires appropriate provision of education and support for managers, which is different to the traditional 'business for profit' approach to executive education.

Sensemaking theory implies that understanding is reached through words (Weick *et al.*, 2005) and this study suggests that if organisations are to genuinely embed their espoused CSR intentions, and managers are expected to play a significant role in making that happen, then dialogue and conversations are essential for the alignment of organisational and individual sensemaking.

Furthermore, sensemaking is ongoing and iterative (Weick, 1995) and it is often small cues, subconsciously extracted from within the organisation or from tacit knowledge and perception that can bring about the biggest impacts on behaviour. Weick suggests that once people reach meaning which is plausible to them, their commitment to their work focuses them on action. This could mean that appropriately designed interventions which raise individuals' awareness of their sensemaking process and the noticing of cues, could result in realignment of interpretation, plausibility and outcomes with initially espoused intentions.

It could be that facilitated reflective learning through focus group conversations might alert managers to how their tacit experience can impact on their sensemaking. Also, that facilitated critical-reflection (Schon, 1983) incorporated in to CSR related executive education might stimulate forward sensemaking (Gioia *et al.*, 2002) and raise early warnings of non-congruent behaviour and dissonance (Festinger, 1957).

Academic literature suggests there is a reluctance for managers to have 'trustful dialogue' (Orlitzky & Swanson, 2002) and 'honest organizational wide conversations' (Beer, 2003) about the congruence between publicly stated organisational CSR intentions and what is actually happening in daily business activities. The Enron scenario is an example of this. It demonstrates that people are not comfortable with reflecting on their own behaviour, challenging the behaviour of their peers (Kulik *et al.*, 2008) or any other behaviour that may have an impact on their self-image or organisation image (Hatch & Schultz, 1997).

There is an opportunity for CSR practitioners and educators to develop a fresh attitude towards the design and delivery of CSR executive interventions. It appears that a novel approach is necessary to help managers understand what is expected of them and to support them through a process where they feel comfortable and not embarrassed or

threatened (Argyris, 1990) by conversations which question their sensemaking process. Learning forums which stimulate awareness of iterative sensemaking could contribute to collective understanding of the espoused CSR intentions and such interventions could be effective in making managers aware of which cues they are selecting and deselecting and how that impacts on their interpretation and action.

6.3. Further Research

Further research is necessary to explore the proposed criterion, suggested through this study, for successful CSR embedding. Also, to understand what different approaches to learning and development can help identify incongruence and misalignment in the scanning and interpretation stages of the sensemaking process.

A new research question emerging from this study seems to be that if people do not read CSR reports and communications, what information are they noticing and extracting cues from to interpret CSR?

This study has shown the impact of tacit knowledge on unconscious sensemaking and how this can mean that managers give multiple meanings to objective facts. However, organisations do not generally have the necessary frameworks or systems to acknowledge or transfer tacit knowledge. This seems to be another important area for more research.

Finally, the concept of differences in variable group sensemaking could be a very interesting and informative thread to pursue in a further empirical research study.

6.4. Final Reflection

At the time of writing, of all CSR and sustainability topics, climate change issues appear to be of genuine concern for individuals and the organisations they work for, yet there appears to be little evidence of significant change in behaviour other than that which is driven by environmental legislation. Could it be that the projected scenarios of climate change impact on the planet are perceived to be so profoundly threatening to humanity, that people deselect all related cues to such an extent that their interpretation is that the scenario is not plausible, which leads to simple actions such as turning off excess lights not happening?

CHAPTER 7. PERSONAL REFLECTION ON LEARNING

The MSc LLC programme is designed with a constructivist view of learning where the learner constructs knowledge through a combination of their own perception filters and critical evaluation of knowledge in the public domain. This next section explains my experience of the programme, how reflection and profound introspection has played a significant role in my MSc LLC learning journey and how that has resulted in new understanding and awareness for me.

Throughout the two year programme, as well as the formal programme video diary of learning reflection after each formal learning session, to capture my learning experiences I also kept a personal development log, a learning journal for significant milestones and reflective stages, dictaphone recordings of spontaneous moments of enlightenment, reflective dialogue via email with my supervisor.

When using the term ‘reflection’ it would be remiss to do so without reference to Donald Schon as the person whose seminal work, *The Reflective Practitioner* (1983), highlighted the role of ‘reflection’ in understanding what professionals do. It could be said that Donald Schon proposes an alternative epistemology of practice in which the knowledge inherent in practice is understood as ‘artful doing’. My own personal experience of undertaking this learning journey has directly informed my understanding of learning processes and contributed to my personal and professional development as a practitioner.

The driver for me to undertake MSc LLC

Having worked in the areas of Corporate Responsibility and sustainability in a teaching and consulting capacity for nearly ten years, I had become despondent by how little change appeared to be occurring in organisations in terms of fundamental CSR related issues. It seemed to me that businesses were tinkering with external self promoting CSR related activities which do not influence business decision making or long term responsible organisational development which means the continuation of, at worst corrupt, unpleasant organisations and at best lethargy and ignorance about sustainability issues. This disillusionment fuelled my interest in understanding why espoused intentions to embed CSR in organisations do not result in appropriate decision making and action.

At the beginning of this programme I wrote a learning contract in which I stated that I am keen to contribute effectively to organisations such as European Academy for Business in Society (EABIS) in respect to the evolving theory and practice of executive learning in the domain of sustainability and corporate responsibility. I recognised that to be able to do this and to be able to add value, I needed to hone my skills, knowledge and experience in academic research and writing.

In the past I have been frequently interviewed by media in UK and overseas and have had several practitioner articles published. However, I felt that I needed to improve the calibre of my writing and my competency in rigorous debate and public speaking in

order to contribute more effectively to the debate around responsible business theory and practice.

I have never believed there is such a thing as a responsible or irresponsible business but rather that there is just 'business' which is a process of transactional trade, and that a CSR policy does not make an organisation responsible but that a culture of responsible business can be guided by the behaviour of people in the business.

Further, I have always held the belief that the business case for CSR does not motivate people to change their behaviours, especially if they work for large companies. I do not believe that people get up in the morning enthused by the prospect of maximising profit for the company's shareholders, but that the thought of contributing to the community and environment for their loved ones does. However, new insight through my research shows this to be a simplistic belief and that even a values based case for CSR underpinned by a moral framework may not motivate people unless they make sense of it themselves.

Before reading the existing theory of CSR, I believed that embedding CSR was about changing the governing principles in organisations and the necessity for leaders and managers in organisations to face up to the realities of impending global problems. But now I think it might be rather more mundane – more about the detail of how individuals make sense of small things in their own world reality before making sense of the bigger issues. I am also starting to think that the big issues such as global climate change can be perceived as so threatening that they become deselected through the sensemaking process and, therefore, not addressed.

In the past I have been doubting the validity of some of my observations, what I have interpreted as cronyism in CSR, so I was relieved when I read literature which endorsed my observations. I now have some insight into the sensemaking process and the perceived threat to identity that maintains this status quo.

I had noticed that senior people were enjoying almost celebrity status in terms of responsible business practice; the 'worker bees' of the organisation enjoying volunteering days but middle managers not being supported in enacting the CSR aspirations of the firm and at the same time expected to 'get the trains in on time'. I observed inadequate involvement of the middle managers in developing the strategy around CSR and asking them how they can deliver.

My Objectives

At the beginning of the MSc LLC programme, I felt that my work was irrelevant and inconsequential in terms of the big sustainability issues such as climate change, which meant that I felt ineffective and frustrated by the fact that organisations, in my view, were not changing their core behaviours and that I was not able to contribute to this through articulating the issues through rigorous research.

When I was asked to define what I needed to focus on to meet my own professional development objectives, I wrote;

1. To become comfortable with and not intimidated by academic discourse, evidenced by being prepared to question and challenge others in a public forum.
2. To practice articulating what I am thinking in a structured and cohesive way, evidenced by reduced number of times I back down from speaking and leave debates and forum invitations to comment, frustrated because I did not voice my issue.
3. Ongoing continuous improvement in learning programme design and evaluation, evidenced by development of new programmes which are well attended by diverse clients and recording of measurements of positive transfer of learning from the programme(s).
4. Continued and enhanced practice of critical self-reflection evidenced by success of my new business plan and open programme re-launch in 2009.
5. Developing personal skills to deal with serious global issues without becoming over serious myself, evidenced by how I react to views of others who do not hold the same assumptions as I do about sustainability.

My specific expected outcomes of this programme and evidence of the outcomes are shown in Table 9.

Table 9. Expected Learning Outcomes

| Outcome | Evidence |
|---|--|
| 1. Ability to confidently form robust arguments both orally and written. | Active contribution to EABIS colloquium Sept 2008 at Cranfield SoM. |
| 2. A research paper worthy of publication. | Publication in a noted management development journal in 2010. |
| 3. A piece of research which is considered to have validity in the contribution to the debate of theory and practice in embedding responsible business principles in organisational development strategy. | Published paper and/or interim papers through the Doughty Centre for Corporate Responsibility. |
| 4. Enhanced skills in academic reading and writing. | Number of articles and papers printed/published in 'credible' journals. |
| 5. Enhanced recognition from practitioner to legitimate contributor to evolving theory and practice in the domain of corporate responsibility and sustainability related executive education. | Number of international Business School visiting lecturer invitations. |

I did submit a paper to the EABIS colloquium in 2008 which was accepted and later I was invited to submit a full paper to be considered for publication in an academic journal. Whilst the paper was not accepted at that time I have been invited to resubmit

once my full empirical study had been completed. The feedback from the reviewer was extremely encouraging and suggested that my research could potentially make a contribution to theory. Also, I felt confident in holding my own in research related conversations at the EABIS conference and with academic discourse at a BAM workshop on discourse analysis which I attended at the end of 2008. It was apparent by the end of 2008 how much I had learned and how my skills had been enhanced.

My Learning – About my research and research methods

The video diary sessions are very revealing, starting in week 1. when I reflected on the six 6 months prior to starting the programmes stating “*enormous self doubt about my ability to be considered for the programme as a researcher*” mainly because critical thinking and research methodology were not part of my skill set and I was daunted by that. My confidence continued to grow as I developed my skills in critical questioning and articulation. On reflection it is remarkable how by week 3 I was able to read a research paper ‘with purpose’ with some new insight to discern its academic quality.

Early on I gained new confidence and felt very nurtured and supported throughout the programme, recognising how lucky we were to be such a small cohort which allowed us to enjoy extreme support from the course faculty and to share deep conversations. On reflection, two years on it is so interesting to see how my video diary shows how often I, unconsciously, use the words that have become so fundamental to my research. Words such as sense, reflection, and world views, for example in week 1. “*I have to go away and reflect, that is just the way I make sense of things, that is just my world.*”

As early as the first month of this programme I was already reflecting profoundly on my teaching practice and how inadequate some of that had been because of a lack of underpinning of research and my limited understanding of organisational theory. I experienced a personal shift in respect to my interpretation of my responsibilities as an educator and started to become aware how my personal assumptions impacted on my teaching style. This was an illuminating and uncomfortable time as I had my first insight into my professional blind spots and personal sensemaking processes.

Over the next few months I learned more about ontological assumptions and epistemology which had a significant impact on me. I became more aware of my teaching behaviours, my personal bias and how that impacts on my choice of teaching materials and design. I became concerned by the possibility that my passion to promote change may have had a tendency towards indoctrination, yet at the same time I felt that as a teacher I had a responsibility not to behave in that way. I started to ask myself questions about what is learning and what is teaching? As I became more aware, I realised that, unknowingly, I had actually been declaring my strongly held underlying beliefs about sustainability. This new awareness had a positive impact on how I interacted with my students and corporate clients.

In the second month of the programme, after an hour of reflection examining my motivation for taking up the research project, I realised that I was saying over and over that I was disillusioned by the learning and development process in CSR, and I realised that some of my motivation was coming from a place of ‘blame’, almost wanting to uncover the inadequacy of the executive education on offer. I realised that was not a

positive angle and that I should reframe my focus to looking at ways to contribute to enhancing the learning and development available to managers and leaders in organisations. It was through reading organisational theory that helped me to shift to a new view about what my contribution might be.

Having been used to working in a practitioner world which communicates through bullet point emails and expects quick results and answers with supposed single truths, the notion of a 'research conversation' had a big impact on me. It was refreshing to learn how the process was allowed to be iterative and evolving, a perpetual function with no single truth. However, learning to accept this in practical terms was sometimes uncomfortable and confusing. There were many times where I thought I had a research focus and path but then realised I had not. My research occasionally became illusive which I found unsettling. In February 2008, I felt deflated and concerned that I was not finding my 'research conversation', my research questions seemed to be getting muddled and I was wondering how to deal with the ambiguity of CSR. My diary entry at that time reads *'Am I losing sight of the core issue and am I losing sight of the relevant domains of theory?'*

It was through becoming aware of the words I was actually using such as 'embedding' and 'sense' that I regained my focus. At the same time I learned to discern what is foreground research and what is background or peripheral information and how to read the academic literature through a different 'lens' of interpretation.

Learning new skills such as critical reading and writing, and learning how to read academic papers which use a language with which I had not yet become familiar, was unsettling at times, almost like learning to read and write again. Feeling challenged and way out of my depth was, at times, a daunting experience as this was the first major shift in my learning new skills.

One of my overriding observations is how exhausting learning can be. I believe that I have immersed myself deeply in this two year process and the physical and psychological impact of that should not be underestimated. Through my own experience I have new insight in terms of the support I should make available to people who engage in the learning programmes I deliver.

During the course I went on to hone my skills in interpreting academic papers and to write not using just descriptive narrative but through interpretive analysis. I recognise that I still have a long way to go, but starting to develop this skill helped me to relate the contribution of existing literature to my own research problem and to lift the foggy haze which appeared to encircle my research. It felt like a great achievement to produce my first draft scoping study literature review in May 2008, having spent 15 consecutive days reading, extracting and writing almost to the extent of obsessive compulsion as more fascinating theory revealed itself.

The five core texts I analysed progressed my understanding of my research subject to another level, and it became more apparent that the themes of sensemaking, embedding CSR and incongruence were fundamental to what I was interested in researching. Once

I realised this, reading papers with purpose made more sense in the context of my research.

An important personal learning point was around becoming aware how I express things verbally compared with how I write. There were some limiting beliefs about my writing being too shallow or not serious or not interesting. When I articulate issues in writing I often lose the essence of the meaning, and what I am trying to say seems to become uninteresting. I realise that when people speak authentically they are more interesting so I need to find ways to inject authenticity into my writing. So I have started to look at how I write and the flow and creativity of my writing that I may be suppressing. A practical way of addressing this is that I have started recording what I say and then writing a transcript from the tape.

Methods

My greatest fear was quantitative statistics, and in week 2 on camera I refer to a bleak moment when I thought *“eek, I don’t think I am going to be able to do this”* but the group and faculty were supportive as we all struggled with new ways of thinking and ‘alien’ jargon. I soon realised that my research study was unlikely to be quantitative as I was interested in the feelings and thoughts of people.

One of the most enlightening methods presented to us was case study research strategy as I realised this method could help me unpick the phenomenon of organisations aspiring to embed CSR.

The discourse analysis workshop I attended at BAM and discussions about the use of focus groups set me on a course of evaluating these methods for my study. It was the suggestion of using Conversation Analysis (CA) by my Supervisor that completed my selection of appropriate methods. I believe that it is the combination of the social interaction of a focus group analysed through CA that has generated such depth and richness of findings in this study. This has been my first attempt at using CA and I see it a potentially powerful method of learning more about how ‘what people think’ impacts on ‘what they do’. I acknowledge that I have a long way to go before becoming accomplished in using this method and relish the thought of developing my skills further in this area.

Summary

Before undertaking this programme I believed that many organisations espousing commitments to CSR allow blind spots and incongruence to remain unchallenged because of the tectonic shift of transformational change necessary for CSR to be truly embedded in organisational activities. Whilst I still believe that may be the case in some situations, my research has shown that this may be far more complex than I first imagined and that what I perceived as being blatantly irresponsible behaviour could be subconscious.

I now realise that my passion for the subject of CSR and sustainability had been blocking improvements in my teaching practice and noticed that I was on a journey from being a passionate campaigner to looking at academic logic and theoretical

frameworks to share my ideas and passion about implementing CSR to enhance sustainable business practice.

In my notes at the start of the programme in November 2007, I wrote that I will hit barriers and walls and that I must trust faculty to help me through. This prophecy became a reality. During the process of searching for literature my video diary started with *“Hello, I am reporting from the valley of despair!”* and in November 2008 an email requesting support from my Supervisor was entitled *‘Brick wall and cries for help’*.

Following both of these dark times, light returned. My advice to anyone undertaking a research degree like this is to trust faculty who are there to support you but also to trust yourself. For me, the ‘golden light’ flooded in once I started to analyse my data, it was at that point that the thrill of being a researcher became clear to me and everything started to make sense.

In respect to my perspective of limitations of the programme, MSc LLC is an ambitious new Masters Degree through Research, which I am very grateful for because it has been exactly the learning process I required, at that time. However, because the programme largely followed a DBA framework it was sometimes confusing for us as students to evaluate our learning and progress. Also, we undertook this programme as a part time course, but in reality it has required significantly more than a part time commitment over 2 years. I would suggest that these two issues are given consideration for future courses.

My only other critique is that I have some reservations about the role of the Systematic Review (SR) process in the context of a Masters Degree in social science. At times the process was a distracting burden with a large percentage of the work conducted being not relevant for taking forward to my final thesis. The core literature that contributed to my research came from a broad literature review, cross-referencing and peer recommendations, therefore, the amount of time spent on the SR was not justified in this instance.

Having said this, I am delighted with the results of my research and my personal objectives have been met. Two years ago I could not have imagined producing a Research Masters thesis and feel delighted by how much my confidence as a researcher has grown.

At the end of the two year MSc LLC programme I have shown in my thesis how I have learned to identify, critically appraise and synthesise the literature relevant to my research problem, and to apply the theory and research evidence to the subject of embedding CSR. Also, my thesis is testament to how I have learned to define and analyse a business problem through an empirical research project with an outcome of making a contribution to theory and practice.

I hope that you have enjoyed following my inaugural research journey, which I hope will be first of many more as I am now well and truly hooked!

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APPENDICES

Appendix A. Initial Keywords for electronic database search

| | | |
|---|---|---|
| 1. Social Responsibility of Business OR Corporate Responsibility OR Sustainable Business OR Sustainability OR Sustainability principles OR Sustainable development OR CSR OR CR OR Corporate Social Responsibility | 2. Organisational Learning OR Organisational knowledge OR Workplace learning OR Subset 2.1 Embedding OR imbedding Adopting OR Absorbing OR Adaptation OR Implementing OR Internalisation OR Integration Subset 2.2. 2.2.1 Sensemaking 2.2.2 Critical reflection | 3 Organisational Behaviour Subset 3.1 Disconnect OR Policy OR Espoused OR Gap OR Barriers |
| 4. Corporate Culture OR Organisational Values OR Institutional Culture OR Organisational Identity OR Organisational Practices | <u>AND NOT</u> - as main focus Organisational Development OR Organisation Strategy (<i>there is likely to be some specific relevance</i>) Transformation (<i>there is likely to be some relevance – many of the CSR domain papers refer to transformation</i>) Management Learning | <u>AND NOT</u> <i>ctd.</i> Leadership (<i>there is likely to be some relevance</i>) Ethics |

Appendix B. 3 most effective Search- strings for electronic database search

| Word combination | Search string | Rationale |
|---|--|---|
| 1 AND 2.1 AND 3.1 | (("Corporate responsibility") OR "CSR" OR "CR" OR ("corporate social responsibility") OR sustain* OR ("sustainable development") OR ("sustainable business")) and organi* and (embed* OR imbed* OR adopt* OR absorb* OR adapt* OR implement* OR internal* OR integrat*) AND (disconnect OR espouse OR gap OR barriers) | Context of embedding CSR |
| 2.1 AND 2.2.1 OR 2.2.2 AND 3.1 | organi* and ((embed* OR imbed* OR adopt* OR absorb* OR adapt* OR implement* OR integrat*) and (sense* OR reflect*) AND (disconnect OR espouse OR gap OR barriers) | SRQ1. What is the relationship between sensemaking processes and congruence between intent and action? |
| 1 AND 2.1 AND 3.1 AND 4. | ("Corporate responsibility") OR "CSR" OR "CR" OR ("corporate social responsibility") OR sustain* OR ("sustainable development") OR ("sustainable business") AND (embed* OR imbed* OR adopt* OR absorb* OR adapt* OR implement* OR internal* OR integrat*) AND (disconnect OR espouse OR gap OR barriers) AND ("organi* value") OR ("Institut*culture") OR ("Organi* identity") OR ("Organi* practices") | SRQ2. What are the different influences on congruence between intent and action in the context of embedding CSR in organisations? |

Appendix C. Quality Assessment of papers selected through Systematic Review

Stage 1. broad selection criteria for titles and abstracts of papers retrieved from searches

| Inclusion | Exclusion |
|--|---|
| Keywords in the title relating to my research questions Author recognition Theme of abstract being appropriate to my research e.g. informing the question of disconnect embedding CR and the role of sense making and reflection. Peer reviewed. Scholarly journals, working papers or conference papers. | Diverse geographical culture Single sector focus Non scholarly texts Inappropriate research lens |

Stage 2. Selection criteria for Full Text Papers

| Inclusion criteria | Exclusion |
|---|--|
| Relevant contribution to my research question from the appropriate domains. Key words congruent in title, abstract and conclusion. Clearly defined and congruent method. Broad high calibre and relevant references. Author recognition. Peer reviewed from a rated and relevant journal. Ease of readability. Theoretical and empirical. Strong argument- claim and warrant. | If the paper does not meet a minimum score of 6 in the quality assessment inclusion rating (See p.90). |

Appendix C. Quality Assessment of papers selected through Systematic review ctd.

Stage 2. Quality assessment. Minimum inclusion rating 6.

| ELEMENTS | RATING | | | | |
|----------------------|--|---|--|--|--|
| | 0 – Absence | 1 - Low | 2- Medium | 3- High | NA |
| Contribution | There is not enough information in the article to assess this criteria | The text adds very little to the body of knowledge in this area | Contribution to knowledge is not significant | Contribution to knowledge is significant and fills an important gap in theory. | This element is not applicable to this text |
| Theory | There is not enough information in the article to assess this criteria | Literature review is not robust No practical implications to the study | Theoretical base is acceptable. Some practical implications. | Excellent review of existing literature. Strong theoretical basis. Study has important implications for practitioners | This element is not applicable to this paper |
| Method-ology | There is not enough information in the article to assess this criteria | The study idea is poorly executed Inappropriate quantitative or qualitative methods | Justified research design. Acceptable proxies. The idea of the study is not fully executed. | Research design is appropriate to examine the theoretical argument. Proxies are adequately defined. | This element is not applicable to this paper |
| Data Analysis | There is not enough information in the article to assess this criteria | Data sample insufficient. Weak connection between statistical results and the study theme. Inconclusive statistics. | Appropriate data sample. Statistical results relates to the study theme. Adequate statistics but inadequate explanation. | Adequate data sample. Statistical results support theoretical arguments. Well explained statistics. Includes analysis of limitation of the study. | This element is not applicable to this paper |

Appendix D. Research Strategy Choices

Adapted from ‘The Research Onion’, Saunders, Lewis & Thornhill (2007), Research Methods in Business 4th Ed., Pearson Education Ltd, and Blaikie, Approaches to Social Enquiry, (2007: p.27).

| Philosophy | Typology | Meaning | Relevance to my research | AND NOT... because |
|---------------------|----------------------------------|--|--|--|
| Epistemology | Interpretivist (constructionist) | Aims to understand the meaning of how people make sense and how the role of social actors impacts on the phenomena. Interested in observing people rather than objects. | The diversity of feelings and attitudes of social actors towards CSR and their own meaning making. | Positivist – no natural law, hypothesis or facts to test. Realist- not assuming simplistic cause and effect reality as the truth, independent of the human mind. No underlying definitive framework. |
| Ontology | Subjectivist (idealist) | A view that social entities do not exist externally from social actors, but rather that people are the creators of the social phenomena through perceptions and actions. | The phenomena of sensemaking is a continual iterative process of social interaction. | Objectivist (realist) because my view is that social entities do not exist without the impact of social actors. |

| Approaches | Selection | Meaning | Relevance to my research | AND NOT... because |
|--------------------------|---|---|--|--|
| Research Approach | Retroductive Inductive-deductive | Growing theory and developing new questions and propositions as the data emerges but at the same time using a guiding framework from existing theory. | Iterative and emerging propositions which do not appear to be covered in the existing literature and at the same time using an established sensemaking sequence model as a frame of reference for scanning and interpretation. | Not either inductive or deductive – Iterative exploratory study which works from literature and data to reach explanation. |
| Strategy | Case study. | Explore 2 organisations in depth to establish common phenomena. | Deep rather than broad Exploring common themes. | Ethnography - too deep at this stage of research, need |

| | | | | |
|---------------------------|--|--|--|---|
| | | | | more time. |
| Methods | Focus groups. Semi structured interviews. Conversation analysis. | Mixed methods to encapture the words and feelings. Triangulation to illustrate rigour of data. | Qualitative deep, rich, express feelings and diversity and complexity of sensemaking processes. | Quantitative survey. |
| Timeline | Cross section. | Snapshot in time. | Things may change as time moves, the nature of a dynamic organisations. | Longitudinal. |
| Procedure | Data collection, conversations recorded, transcription of recording to text, analysis of text. Peer cross coding. | Focus on the detail of the conversations of the participants. | Interpretation of participants sensemaking through a fine grain analysis if their conversations. | Quantitative, statistics and numbers. |
| Researcher stance. | The researcher stance is 'outside-learner'. | Researcher stands back to observe the phenomenon as an 'outsider' and to remain aloof and separate to ensure that the researcher has no influence over the participants. And as a 'learner', observing the phenomenon without any preconceived theories or previous research findings. | Observing naturally occurring conversation and sensemaking. | Outside expert-not to be seen as there to tell or show. Inside learner-not to influence or be part of their learning experience. |

Appendix E. Interview Questions

Focus Groups

Introduction; Explain the purpose of the focus groups, confirm anonymity.

Establishing how espoused organisational intention is communicated

Question 1. Tell me about your organisation's CSR goals

Prompts if required; *What does it mean to the organisation?*

How can you find out information about your goals/policy?

WHAT I EXPECTED;

- *To establish the group's understanding of the organisation's intention to embed CSR.*
- *To establish how the expectations are communicated and how accessible.*
- *Was there consensus in the group or different understanding?*

Scanning –selecting cues and bracketing

Question 2. What do you think are the most important issues around CSR at XXX?

Prompts if required; *What kind of conversations happen about sustainability at XXX?*

How does it align with the organisation values?

WHAT I EXPECTED

- *How the group select elements of the organisation's espoused CSR intentions as important or how they disregard aspects. What themes came up and were built on by the group and what themes were shut down.*
- *How are they interpreting CSR in respect to the broader organisation culture?*
- *How do they collectively edit the intentions, what cues and stimulus are they responding to and how do they shift and change their interpretation during the discourse.*
- *What cues and stimulus have they noticed in their teams/ department around interpretation of CSR?*

Interpretation – labelling and plausibility

Question 3. What do XXX CSR goals mean in every day work activities?

Prompts if required; *How do you think CSR issues could be embedded in everyday business activities across the organisation?*

What do you think the organisation expects you to do?

Who is responsible for making the CSR goals happen?

What is the most effective training or support for people managers to help embed CSR goals in everyday business?

WHAT I EXPECTED

- *How they relate the 'selected' CSR espoused intentions directly to their day to day action, some examples.*
- *Their thoughts on what support and mediation is necessary.*

Decision making (precursor to action)

Question 4. Tell me about a situation where XXX CSR goals were considered in a business decision.

What was the outcome?

Tell me a situation where XXX CSR goals should have been considered but were not.

What was the outcome?

What do you think were the consequences of that?

WHAT I EXPECTED

- *Examples of espoused CSR intentions demonstrated in everyday business activities Recognition of the group where the CSR intentions should have been considered but were not.*

Action

Question 5. Tell me about a time when you have done something which considered the CSR goals.

What triggered you to consider CSR at that time?

WHAT I EXPECTED

- *What do the group think 'intent in to action' is?*
- *Some examples of action to compare with espoused intentions, to observe if the understanding of the intention, the scanning and labelling sensemaking process could impact on an action in day to day business activities which is congruent with the espoused intention.*

If there is any spare time;

Closing Question

If you can imagine a perfect scenario of your organisation's CSR policy fully embedded in day to day action, what would that look like?

Appendix E. ctd.

Follow up semi structured telephone interviews

Q1. What were your thoughts about the focus group session we had the other week?

Did anything in particular stand out for you?

What surprised you most?

Has the discussion changed anything for you?

What? How?

Q2. What conversations have you had about CSR since the focus groups?

With who? About what?

Q3. Have you noticed any examples of CSR into action or where CSR should have been considered but was not?

Is there anything else you have noticed about CSR in XXX since our meeting?

Q4. Alpha : I noticed from writing up the transcript that the issue of too many lights on in the room came up 10 times, but no one turned them off, what did you make of that?

Q 4. Delta: D mentioned that it was not fair to expect people to consider the organisation's CSR goals on top of doing their job unless people have a special interest in CSR . What are your thoughts about that?

How does that fit with Delta's CSR goals?

Q5 Alpha: When I asked W about applying CSR to the IT department she said it wasn't relevant, what did that mean to you?

Q5. Delta: DE mentioned that the sales team had no time to consider CSR, what did you make of that?

Q6. Both sites. Your organisation states a commitment to ethical business principles, the issue of ethical business came up at one point but the group did not carry on a discussion about that, why do you think that was?

Note to interviewer. *Be sure not to ask the questions in a way that implies any 'judgement' or in a way that could cause a defensive response.*

Appendix F. Unit of Analysis

| Phenomena | INTENT | SCANNING | INTERPRETATION | ACTION |
|-----------------------------------|---|---|--|--|
| Description | Collective organisationally espoused intent | What do people understand the intent to be? Selecting cues | What do they think they are supposed to do? Sensemaking before decision taking. Finding plausibility-collective decisions | What do they think they have done which is congruent with espoused intent? Outcomes/ Behaviour |
| Observable | Surface level artefacts, namely the CSR Policy, CSR report, website. Values and behavioural norms. Code of values and code of conduct, stories and anecdotes, Beliefs and assumptions taken for granted and form the core of an organisation's culture. Note; Difficult to observe in a short snapshot of time case study. | Words used to describe principles and the spirit of the intention Words used to describe what embedding CSR means to the organisation What words do people use to describe their understanding of the espoused intentions | How are people understanding the espoused intentions to embed CSR are in their every day role. What examples do they give What are the decisions to be taken What are the influences on those decisions | What actually happens. Examples of past decisions and actions. |
| Method | Narrative analysis of CSR reports and codes of conduct | Focus group observation analysed through discourse analysis, specifically conversational analysis | Sense is generated by words. (Weick, Sutcliffe & Obstfeld, 2005) Conversation analysis | Researcher interpretation of outcomes published in organisational CSR documentation and research participants interpretation |
| Objective – to understand; | How is the espoused intention to embed CSR communicated? Is the CSR message congruent with underlying organisational assumptions ? | What are the cues and indicators that people select as important in the espoused intentions? What cues do they deselect or ignore? How is the intention interpreted? | What do the espoused intentions mean in everyday life at work? How do the people apply the intentions to day to day decision making and tasks. | How has the sensemaking process influenced actions either a) congruent to the espoused intentions. b) incongruent with the espoused intentions |

Comment: Clear definition between Japan HQ, and Europe and other geographical locations. Defined localised CSR activities.

[illegible]

| | | | | |
|--|---|-----|---|---|
| | spread of environmental activities across the world | | reduction of tea machines Products- eco aspects | |
| Group code of conduct | Common group wide standards to guide employees in the practical implementation of Alpha's management philosophy | P15 | Staff – code of conduct BP Fairness, equal ops. | |
| Governance and accountability | Group wide systems will be established and operated to ensure observation of laws, regulation and ethics as well as the group code of conduct | P15 | Comply with legislation; Health and Safety Gov. regulations Employment law | Legislation compliance |
| | As a company of high standard of corporate ethics we must be 'super honest' in conducting our business activities in a transparent manner and fulfilling our accountability | P24 | | "and in my dealings with external auditors I take a very , very super honest approach with them which I have never done at any other previous company" DJ |
| Core Values | Clearly defined | P25 | | |
| Implementing the code in business operations | Clearly defined | P27 | | |
| Supply chain | | P33 | Purchase/ how buy/ 3 rd party contractors | Supply chain management compliance |
| | The promotion of CSR will be the basis of partnerships in global business ... above and beyond that we should strengthen our CSR, management and aim to be a values added company by all our business partners. | P36 | | |

| | | | | |
|---|--|------------------------|--|---|
| <p>Co-existing with local communities</p> <p>A public institution is only able to exist if it receives the support from society</p> <p>Happy children bring a bright future</p> | <p>Aiming to empower the next generation – support to educational programmes</p> | <p>P 51</p> <p>P61</p> | <p>Local community; Sponsorship Schools Wildlife trusts</p> | <p>industrial days at schools, how to interview, how to read CVs, how to present themselves A</p> |
| <p>Not much on product, doesn't try to sell products</p> | | | <p>Product; Enhance life How produced Green friendly How recycle Waste</p> | |

Appendix H. CSR Intentions – Delta Electronics

CSR Report 2008

Comment: The CSR report is mixed up between group, Japan and Europe, it is difficult to know where intent is aimed at. There are a lot of Japanese examples.

| Subject | Espoused Intention | CSR Report page no. | Focus Group interpretation from flip chart | Correlated Outcomes – from focus group and one on one interviews |
|---|---|---------------------|---|--|
| For the next generation | <p>CSR report states that their 1946 founding spirit was, and still is, to contribute to society through business and to enrich society by supplying radio, communications and technology to people. great innovations, industry leading product</p> <p>Pursue CSR with an emphasis on realizing a sustainable society</p> | P1 | Unsure of what specific CSR goals are | (Note. G said this in focus group) |
| Verification | <p>2006 GRI sustainability reporting guidelines</p> <p>Japanese environmental guidelines</p> <p>3rd part verification</p> | P1 | CSR report very high level. Not sure how to fit in to local activities | |
| Combine CSR and business CEO message | <p>Fundamental belief in the importance of social responsibility</p> <p>Committed to integrity and sound business practice</p> <p>Renewing our efforts to lessen out environmental impact</p> | P2 | Aware of “Enviro” and “Volunteer” – not so much CSR | |
| Product | Most energy efficient TV | P2 | <p>Last longer</p> <p>Less Co2</p> <p>Green manufacturing</p> <p>Packaging</p> <p>Logistics</p> | |

| | | | | |
|---|---|----|--|--|
| Partnerships | Co hosted Climate Savers Tokyo summit 2008 with WWF | P2 | | |
| Energy | European sites 100% renewable energy | P2 | | |
| Waste | Committed to reuse and recycling – 2 examples | P2 | | |
| Governance | CEO and chairman the same man. To strengthen governance structure beyond legal requirements | P5 | | |
| Compliance Legal and ethical bulked together | Ethical business conduct and compliance with applicable laws and regulations are fundamental aspect of Delta corporate culture- compliance offices at corporate HQ and regional HQ | P6 | | |
| Code of conduct | Established May 2003 sets basic internal standards to be observed by directors, officers and employees of Delta group, in order to emphasize and further strengthen corporate governance, business ethics and compliance systems throughout the entire Delta group. It has been adopted and implemented by each Delta company as its own internal code of conduct To ensure that all Delta employees are aware of the code of conduct the company inform it employees about the code through ongoing dissemination of emails , booklets , wallet cards, posters, posting on the | P6 | | |

| | | | | |
|-------------------------------|---|-----------------------|--|--|
| | <p>company intranet and /or features articles on internal newsletters.</p> <p>Education and training sessions that use e-learning and case studies... provide instruction both n business ethics generally and on individual aspects of Delta Code of Conduct</p> | | | |
| Expectation of employees | <p>It is up to each individual, including myself, to actively engage in these activities... Volunteering in local communities is just one examples of how each and every Delta employee can engage in CSR activities and thus enable the company to reach the next level. (President and CEO)</p> | P9 | <p>Lack of time/ interest/awareness of initiatives</p> <p>No joined up communication Various levels for staff, for consumers</p> | |
| Minimize environmental impact | <p>Midterm targets 2001 – 2006 followed by Green management targets 2010 – reduce emissions by 7% less than 2000 emissions by 2010 4 point commitment to WWF including raising consumer awareness of global warming</p> <p>Greenhouse emissions measured at each site – 2007 shows increase</p> | P13 | Target much too low | |
| Renewable energy | <p>Tepco (nuclear not disclosed)</p> <p>Partnership with WWF to helps realise a low carbon society</p> | <p>P14</p> <p>P17</p> | | |
| Product design | Low energy TV, low energy backlight lap top | | | |

| | | | | |
|---|--|-----|---|--|
| Legislation | WEEE ROHS Action ahead of legislation | P18 | | |
| Reuse and recycling | Ultimate goal to take back and recycle in every region where Delta products are sold | P19 | | |
| Key initiatives at sites (no targets, the 'how' is vague) | Reduce Greenhouse emissions Manage chemical substances Reducing waste Reduce water used and water conservation | P21 | | |
| Key initiatives in products (no targets) | Management of chemical substances Energy saving Resource conservation and recycling Packaging and materials/ others | P23 | | |
| Customer requirements | Satisfaction reliability trust Pledge of quality Jan 2007 Basic policy on quality | P29 | | |
| Supply chain | WEEE ROHS Delta supplier code of conduct 2005 based on Electronic industry global code of conduct (EICC) 2004 | P29 | | |
| Staff development | Key to companies future | P34 | | |
| Founding spirit | Since 1946 goal to enrich society by applying radio communications and other technologies for the benefit of individual citizens Social contribution policy Contributing to science education... to support | P42 | Comms to consumers; Benefits, cost over time | |

| | | | | |
|--|---|-----|--|--|
| | strong belief in importance of elementary and secondary science education | | | |
| | CSR group memberships | P46 | | |

Appendix I. Summary of key observations at both sites (outcomes)

| Alpha Electronics | Delta Electronics |
|---|--|
| <ul style="list-style-type: none"> • More CSR, defined outcomes • More individual initiatives • Cost driving resource use reduction • Make connection between cost down and waste reduction • Strategic global plan to reduce CO2 • General Affairs have remit to reduce emissions in day to day activities • Green Brand used for marketing • Green brand initiatives pushed by HQ, Sites and departments as well as individuals • Investment in green products (freezer, washing machine) • Long history of reducing environmental impact of products • Low level environmental marketing, • No failed initiatives mentioned, several triggers and mechanisms • 70 year business philosophy underpinned by ethics is evident in day to day business activity | <ul style="list-style-type: none"> • Vague non specific outcomes • Site level volunteering with MD endorsement but no one does it- too busy • Cost driving resource use reduction • European wide initiatives to reduce CO2, • Not clear who has remit to reduce emissions (might be facilities) • Low commitment (7% by 2010) to reduce emissions • Very passionate IT Manager pushing initiatives • Enviro Brand used or marketing, Enviro Brand initiatives pushed by individuals • Only 1 low voltage product (TV) • Strong environmental marketing, • Many failed initiatives and perceived barriers to CSR • Code of conduct exists but most people do not know where to find it, and an online ethics test |

Appendix J. Extended transcript; Conversation 5.

Conversation 5. Intent theme CO2 reduction

Alpha electronics 1:10:36

Researcher: “W, in an IT sphere can you think of a situation where you personally have been in a situation where you have considered these CSR intentions in your day to day”.

1. *W* I think in IT we don't really have that much influence .. (pause).. to be honest in fact I really can't think*W*

Pause

2. *A* What, what about moving from one server to another server because it is more cost effective or it is ,it creates less power or less hot..

3. *W* I mean that is more for (listen again) to be honest...

4. *A* there is probably something ... like getting people to turn their monitors off at night

5. *W* Yeah that's more general affairs really to get people to switch their monitors off at night isn't it?

6. *J* Well MW (from IT) runs a report for us on a daily basis to tell us we are leaving things on overnight, our PCs on and that sort of thing ,

7. so targeting the individuals, there are things like which are happening

8. even things like collaboration with the video conferencing, you know one video conference that we do between here and Hamburg, I can't even believe how many carbon miles that will save between here and there you know to take 2 people flying there and back, taxis time,

9. you got a time element and CO2 as well.

10. *A* Just thinking of another one *W*, those reports that SAP did at some point somebody decided what was necessary and what wasn't so then that saved all the trees and paper

11. *W* Yeah but that was more from a , we don't require the duplication , yes obviously the ...

12. *J* There is an eco side to it

13. *W* Yeah, it had a knock on effect it did save some trees, I don't think there was a great deal of thought went in to it, ok we don't need to print off as many

Researcher: so what was the driver there *W*?

14. *W* It was from a development point of view project, we don't require to duplicate development

15. *J* But even things like other things in the IT department , the computer room is in total darkness for every day unless someone needs to go in there.

16. *W* Yeah

17. *J* Historically the lights would have been on in there all the time, they guys are buying energy efficient servers where these servers pump out a hell of a lot of heat he new ones that have fans cooling all that sort of thing.

Researcher: and where does the driver for that come from?

18. *A* lot of it has come from MW believe it or not .. MW's very eco, very eco

19. *J* MW believes if he had 2 thing he would always take the energy efficient, look at it and make sure that it worked first, again it is just generally from staff

Researcher: So this chap MW.

20 **A.** He is a bit of an eco warrior

21 **W.** He is on the technology side which I don't really get involved in to be honest ,the IT and TI sides are very separate so I am not aware if they are buying energy efficient servers or not , you tell me they are , great.

22 **J.** The way we measure it is, we can measure the heat that is produced in the computer room and we 'd work out the basis of what we need, and then if you are generating a lot of heat you have to spend a lot of money to cool the heat to cool the servers down so the energy that we use in the computer room over the last 18 months is considerably less also you can move some stuff together.